FINANCIAL TIMES

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Reagan's strong election hand, Page 16

NEWS SUMMARY

GENERAL

France in Chad peace initiative

France last night launched a diplomatic initiative to secure peace in Chad with the announcement that Foreign Minister Claude Cheysson would have talks in Libya at the end of the week.

M Cheysson starts tomorrow on an African mission that will also include the Chad capital of N'Djamena and the Ethiopian capital of Addis Ababa. Libya has been supporting the anti-government rebels.

In the last few days French forces have pushed north by more than 100 km (63 miles) the east-west "peace demarcation line" in Chad. Yesterday they were patrolling the new buffer zone. Page 18

Four die in Lebanon

A U.S. marine and three others were reported killed as anti-Government militia fought with the marines and the Lebanese Army in the southern outskirts of Beirut.

In Damascus, the Syrian foreign Minister had long talks with U.S. special envoy Donald Rumsfeld on the Middle East and Lebanon. The U.S. side reported "some progress." **Beirut airport closed, Page 4**

Heseltine talks

Saudi Arabian Defence and Aviation Minister Prince Sultan ibn Abdulaziz and British Defence Secretary Michael Heseltine discussed military co-operation between the countries in Riyadh.

Belgian drug haul

Belgian police seized 74.5 kilograms (164 lb) of heroin, with a street value of $12.7m, in Antwerp, and arrested 10 Chinese.

Egypt to rejoin

Egypt has accepted an invitation to rejoin the Islamic Conference Organisation, from which it was suspended in 1979 after signing the peace treaty with Israel. Page 4

Chinese satellite

China has launched its 14th experimental space satellite.

Bus crash 'kills 80'

A bus crashed into a canal near Ropar, in the north Indian state of Punjab. Eighty people were feared killed.

40 Somalis killed

Ethiopian aircraft attacked the northern Somalia border town of Borama, killing 40 Somalis, mostly children, and injuring 80, Mogadishu radio said.

Railway reopened

Ethiopia reopened its railway to Djibouti after a mine attack by Somali guerrillas in which 29 people were killed.

Computer jailings

Six heads of Taiwan computer companies found guilty of copying Apple Computer software were each jailed for eight months in Taipei.

Pick your child's sex

Doctors at the Hadassah Hospital, Jerusalem, say they can allow parents to choose the sex of a future child by treating human sperm before it is implanted in the mother.

His 26th marriage

Glynn Scotty Wolfe, 75, owner of a small Californian hotel, married for the 26th time: a record for the monogamous world. Christine Camacho, 38, is his oldest bride. He has been divorced 25 times, owes no maintenance, and has fathered 40 children.

BUSINESS

Trafalgar lines up cost-free shipyard

TRAFALGAR HOUSE, the UK building, property and shipping group, is near to achieving a cost-free takeover of the Scott Lithgow Lower Clyde shipyard, which is facing closure by state group British Shipbuilders. Page 18

DOLLAR lost ground in thin trade, falling to DM 2.811 (from DM 2.823), FFr 8.5975 (FFr 8.625), and SwFr 2.241 (SwFr 2.2475), but rising to Y234.55 (Y234.25). Its Bank of England trade weighting was down from 131.8 to 131.6. In New York it closed at DM 2.8165, SwFr 2.246, Y234.72 and FFr 8.6115. Page 35

STERLING rose 45 points to $1.408 and Y330.5 (Y329), was unchanged at FFr 12.1025 and SwFr 3.1575, and eased to DM 3.96 (DM 3.9625). Its trade weighting was also unchanged from Friday's 81.9. In New York it closed at $1.4055. Page 35

GOLD rose $0.5 in London to $369.875. In Frankfurt it fell $1 to $370, and in Zurich it rose $0.25 to $370.25 in New York, the Comex February settlement was $370.2 ($369.8). Page 34

WALL STREET: Dow Jones industrial average closed 8.48 down at 1,221.52. **Report, Page 25; Full share prices, Pages 26–28**

LONDON: FT Industrial Ordinary index fell 7.3 to 832.2. Government securities showed rises averaging about 0.4 per cent. **Report, Page 29; FT Share Information Service, Pages 30, 31**

TOKYO: Nikkei Dow index rose 29.26 to a new high of 10,235.73, and the Stock Exchange index gained 1.64 at 777.96. **Report, Page 25; Leading share prices, Page 28**

HONG KONG: Hang Seng index rose 42.26 to reach 1,097.63, its highest for six months. **Report, Page 25; Leading prices, other exchanges, Page 28**

FRANCE has almost halved its border and port posts for imports of live cattle and pigs, and pigmeat from EEC countries. Page 34

AUSTRALIA'S Labor Government is determined to bring in a petroleum industry resources rent tax for 1984–85. Page 4

WEST GERMAN Cartel Office has asked oil groups Veba, Mobil and Wintershall to make changes in their jointly owned distribution subsidiary Aral to ensure fairer competition. Page 2

JAPAN's vehicle exports were 1.4 per cent up in 1983 at 5,669,510 units. Page 6

PORTUGAL'S underground economy was estimated officially at 22 per cent of declared production.

HANSON TRUST, the UK holding group with big U.S. interests, has built a 4.58 per cent stake in British engineering group Powell Duffryn, pushing up its share price to a peak. Lex, Page 18

FINSIDER, the Italian state steel group, is likely soon to reopen the Bagnoli complex near Naples, after EEC quota concessions. Page 3

KRAFTWERK UNION of West Germany has specialists working on the Bushehr nuclear power plant project in Iran, abandoned in 1979, to establish the cost of completion. Page 6

AIR INDIA and Indian Airlines plan to spend $2bn on new aircraft over the next 10 years. Page 6

ELF-AQUITAINE, the French state oil and chemicals group, announced 1983 profits of about FFr 3.5bn ($406m), about the same as in 1982, and making it by far the most profitable company in France. Page 19

SAGA PETROLEUM, the Norwegian independent, expects to make a 1983 profit of about NKr 70m ($7.9m). Page 20

Armco plans sale of its insurance division to Allianz

BY PAUL TAYLOR IN NEW YORK

Armco, the diversified U.S. steel and energy company, said yesterday it planned to sell its troubled domestic and international insurance business to Allianz Versicherung, the West German insurance group.

Allianz was recently outbid by Britain's BAT Industries in a takeover battle for Eagle Star Holdings, one of the UK's largest insurance groups.

Armco, which has in recent months sold other substantial assets in an effort to improve its cash position, said it had approved a letter of intent to sell the insurance business to the West German company for "between 1.5 and 2 times book value." It declined to set a figure on the value of the deal.

Allianz said last night no final decision had been taken and that it might take two to three months to evaluate Armco's insurance assets. The German company last month turned a profit of some £165m ($231m) on the sale of its 30 per cent stake in Eagle Star.

Such a sale would mark a major reversal in strategy for Armco, the sixth largest U.S. steelmaker, and would effectively signal the end of its diversification into the financial services industry. It first started to do so in the 1970s when it entered the international reinsurance business, but intensified in 1981 when Armco paid $320m for NN Corporation, which broadened its insurance interests into multi-line personal and commercial property and casualty insurance.

The insurance units, which include 31 separate companies around the world, are part of Armco's financial services division, which includes a leasing and industrial credit business. At the end of 1982 the division had assets of $2.33bn and Armco's equity investment in the division totalled $275.2m.

In 1982 the division produced revenues of $850.6m but reported a net loss of $4.8m. Since then the results of the insurance business in particular have worsened, and last year Armco was forced to add $180m to its reserves for insurance losses.

Last week Armco reported a fourth-quarter 1983 loss of $46.8m "resulting from the loss of the financial services line of business, principally from the addition to reserves for Armco's reinsurance companies." Armco said it would have been profitable in the final quarter without this loss.

In the final quarter Armco added $75m to reserves to cover higher claims than expected in the insurance business and said the loss in the financial services division was "somewhat greater" than the third quarter deficit of $75.4m.

Under the tentative agreement, Armco said that Allianz would acquire all of the insurance operations but none of the other financial services activities. The insurance business include the Milwaukee-based Armco insurance group with insurance businesses in the UK, continental Europe and Bermuda.

Mr Harry Holiday, chairman and chief executive of Armco, said the decision to sell the insurance units

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Brazil may need $4bn in new credit next year

BY JONATHAN CARR IN DAVOS

BRAZIL will probably need about $4bn in fresh credit next year from the commercial banks, and negotiations on the loan are likely to start in the next few months.

That was made clear by Brazilian financial sources yesterday, three days after the banks signed an agreement providing Brazil with $6.5bn in new credit this year.

The lower 1985 figure was based on the assumption that Brazil would continue to make steady progress in improving its trade balance and restoring domestic economic and financial stability.

Speaking to businessmen at the annual symposium of the European Management Forum in Davos, the Brazilian Finance Minister, Sr Ernane Galveas, estimated that his country's trade surplus would rise to $9bn this year after $6.5bn in 1983.

He also believed that Brazil's public-sector budget would be in balance by the end of the year, after showing a deficit equal to 2.7 per cent of gross national product in real terms last year.

Sr Galveas appealed for the confidence of the world banking community. He attributed the drop in Brazilian business morale last year partly to the long period of uncertainty while the country's new credit measures were being negotiated.

Speaking separately in Davos yesterday, Mr R. T. McNamar, U.S. Deputy Secretary of the Treasury said most banks knew it would be a mistake to jeopardise the large volume of their existing credit to debtor states by refusing to put up relatively small additional loans.

But Mr McNamar also said he expected "banking syndication mini-crisis" as some banks sought to pull out of international lending.

He also felt that there were three serious threats to solving the debt problem of the developing states – protectionism, a possible resurgence of high interest rates and potential oil price increases.

● Mexico had received commitments totalling more than $2bn for its $3.8bn loan from commercial bank creditors when the initial deadline for replies expired on Friday night, writes **Peter Montagnon.**

Although still short of the total, the figure shows that the pace of replies picked up substantially at the end of last week.

Argentine officials are also to meet leading bank creditors again in New York this week. One point for discussion will be Argentina's entitlement to receive a further $500m tranche of the $1.5bn medium-term loan negotiated with the banks by the former military government.

U.S. hints at shift on position in nuclear arms control talks

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE REAGAN Administration yesterday hinted at a shift in its position on nuclear arms control negotiations with the Soviet Union, saying that a "breakthrough based on trade-offs" could be achieved in the Geneva strategic arms reduction talks (Start) if Moscow returned to the table.

Mr Edward Rowny, the chief U.S. strategic arms negotiator, indicated after a meeting with President Ronald Reagan that the U.S. would consider any "reasonable" Soviet proposal to merge the Start talks with the parallel Geneva negotiations on intermediate range nuclear missiles in Europe (INF) – an idea that Washington has hitherto opposed.

Asked if he was signalling a new willingness to listen and talk about a merger, Mr Rowny replied, "That's a fair statement." He stressed, however, that the U.S. would not itself make such a proposal.

Moscow broke off the INF talks after the Nato deployment of American cruise and Pershing 2 intermediate range missiles began in November, and has declined to set a date for the resumption of the Start talks.

U.S. officials, including Mr Rowny, have previously opposed Soviet suggestions that the two sets of talks be merged on the grounds that unsolved problems would only be further complicated.

Privately, administration officials have also expressed concern that West European governments, which have been closely consulted on the INF negotiations, would acquire increased influence over the strategic negotiations, the conduct of which, in the American view, should be restricted more narrowly

Mr Rowny said Mr Reagan agreed that "the Start negotiations have made more progress than is generally realised and we are now in a position when we return to the table to make a breakthrough based on trade-offs of U.S. advantages to balance Soviet advantages."

He then referred to Mr Reagan's proposal of last September that U.S. advantages in strategic bombers and cruise missiles could be traded against Soviet advantages in ballistic missiles.

Mr Rowny cited a number of Soviet moves as evidence of progress in the Start talks during the past 18 months, in which Mr Reagan's opponents have accused him of dragging his feet. Moscow had reduced the ceiling it would accept on strategic weapons, made some movement to address U.S. concerns on verification and dropped some of its own proposals that particularly troubled the U.S., Mr Rowny said.

He added, however, that Moscow had reacted coolly to last October's U.S. offer of a "build down," under which each side would scrap a specific number of nuclear weapons each time it deployed a new one.

He rejected as "totally groundless" Sunday's Soviet charges that the U.S. had violated existing arms agreements.

Signs of revival in Hong Kong property market

By Robert Cottrell in Hong Kong

HONG KONG'S depressed property market is showing signs of recovery, according to preliminary government figures published yesterday. During 1983, demand for residential, commercial and factory space rose, while supply fell. Demand for office space hit a record high but was none the less outstripped by new supply coming on to the market.

Mr Raymond Fry, Hong Kong's Commissioner of Rating and Valuation, said yesterday that the trends constituted "clear signs of a revival in the property market," and indicated that end-users had been entering the market, attracted by low prices, to "fulfil their accommodation needs."

Property is a central feature of the Hong Kong economy. At the height of the recent "boom" in 1981, property assets were estimated by local stockbrokers to account for some 70 per cent of the capitalisation of the local stock market. The property "crash" of 1982, caused by oversupply coupled with political worries about Hong Kong's future, sent the stock market into a prolonged depression and bankrupted large, publicly quoted companies, including the Carrian and EDA groups.

The newly published government figures confirm local perceptions of a return of interest in the local property market. Earlier this month, Everbright Industrial, a China-backed company, paid HK$1bn ($128m) for eight blocks of flats on Hong Kong island, the largest local property deal for more than a year.

A government auction next month of a site in Hong Kong's central business district is expected to attract bids above its reserve price – a situation few analysts would have confidently predicted six months ago.

The bottoming-out of the property market is a factor in the rally, which has been gathering speed on the Hong Kong stock market since the Christmas holiday season.

According to the Government, Hong Kong's domestic, commercial (mainly shops) and factory sectors saw a falling vacancy rate in 1983. Vacancy rate expresses empty property as a percentage of the total stock of property of that type.

For private domestic units, the vacancy rate fell from 6 per cent at the end of 1982 to 4.7 per cent one year later. Demand was strongest for small flats.

Lex, Page 18; Hong Kong market, Page 25

Japan, U.S. sign pact on telecom sales

BY STEWART FLEMING IN WASHINGTON

THE U.S. and Japan have signed a new three-year agreement aimed at giving U.S. telecommunications companies a bigger share of the Japanese market and at opening the door for them to participate in joint research and development projects with Nippon Telegraph and Telephone (NTT), the state-owned telephone company.

The agreement was signed during a visit to Washington by Mr Shintaro Abe, the Japanese Foreign Minister. While it will be welcome to U.S. telecommunications manufacturers, it reflects the limited progress which the U.S. and Japan are making in dealing with the trade conflicts they face.

Last Friday, the U.S. disclosed that it suffered a $69.5bn merchandise trade deficit last year of which $21bn was a bilateral deficit with Japan. Some economists argue that, although the U.S. economy is recovering and employment rising, the scale of the deficit and its impact on specific sectors of the U.S. economy will mean that protectionist pressures will continue to intensify this year.

EEC SEEKS BREAK ON DUTIES

The EEC has proposed that Japan "suspend" import duties on manufactured goods for an indefinite period to reduce its growing trade surplus with the Community, *Page 18*

The agreement between Japan and the U.S. on NTT procurement policies replaces one which expired last month. In the third year of the previous agreement U.S. telecommunications exports to Japan rose to $140m.

An important change in the new agreement is that U.S. companies will now be able to enter into joint research and development projects with NTT, something they have wanted both in order to supply

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Nissan unions agree on British car plant

BY JUREK MARTIN IN TOKYO

NISSAN seems set to go ahead with its proposed car plant in the UK. An announcement on the Japanese group's long-awaited decision is thought to be imminent, possibly tomorrow.

But the plant will be on a much more modest scale than envisaged three years ago.

Nissan's management met the company trade unions yesterday and apparently reached broad agreement about the British plant. Opposition from the unions in Japan formed a big stumblingblock to the decision to proceed with the plant.

It is understood that Mr Katsuji Kawamata, Nissan's chairman and previously one of the senior executives opposed to the project, will fly to London to sign an agreement with the British Government to coincide with a formal announcement in Japan.

Mr Takashi Ishihara, Nissan's president, said yesterday after attending the Japanese unions' 30th anniversary celebrations: "We expect to sign an agreement with the British Government next month.

"We have now cleared the stage where heated discussions with the unions were needed."

Nissan's proposals, according to unofficial leaks from the company, are that production should start in the second half of next year at the rate of 2,000 cars a month. The model would be based on Nissan's medium-sized 1600–1800cc Stanza.

For the first two years at least, most major components, including engines and transmissions, would be shipped from Japan.

From the third year, Nissan hopes to move from assembly towards a fully integrated production facility relying increasingly on local content.

When fully operational, the plant would produce between 100,000 and 200,000 cars a year

Initial employment is likely to be about 1,000, compared with the 5,000 Nissan talked of three years ago.

Japan's vehicle exports up, Page 6

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EUROPEAN NEWS

Woerner fate uncertain after Kohl meetings

BY RUPERT CORNWELL IN BONN

THE FATE of Herr Manfred Woerner, the West German Defence Minister, was still obscure last night, as he met Chancellor Helmut Kohl for the second time in a few hours.

Despite mounting uncertainty and pressure for a speedy decision, there was still no exact indication of when — or how — the Chancellor would resolve the most awkward political calculation of his 15 months in office.

Herr Kohl had earlier received a first account of the ever more embarrassing developments in the affair of dismissed General Guenter Kiessling from the beleaguered Herr Woerner. But no word was available of the substance of the meeting, beyond bland semi-official assurances that the minister had neither offered, nor been asked for, his immediate resignation because of his handling of the investigation of the general's allegedly homosexual leanings.

The Chancellor himself, plainly tired after his difficult visit to Israel last week, tried throughout the day to convey the impression of calm. His responsibility, according to the government spokesman, was to examine the affair "accurately and thoroughly" before making up his mind. The discussions with his advisers are expected to continue today.

In the meantime, however, the shadow of Herr Franz-Josef Strauss, the leader of the CSU sister party of Herr Kohl's Christian Democrats and the Chancellor's great political rival, loomed steadily larger.

Herr Strauss is expected to meet Herr Kohl in Bonn today, though no confirmation was forthcoming. But he has already let it be known that he would be ready to take over as Defence Minister, should Herr Woerner be forced out.

However his manoeuvring yesterday brought fierce, if indirect criticism from the FDP, the junior partners in the centre-right coalition, ever sensitive to encroachment from Herr Strauss. Herr Hans Dietrich Genscher, the Foreign Minister and FDP leader, spoke pointedly yesterday of "pompous admonishment and public advice" dispensed while the Chancellor was in Israel—a clear reference to the noises emerging from the Strauss camp.

The Foreign Minister moreover declared that the case of Count Otto Lambsdorff, the FDP Economics Minister who is under investigation in the so-called "Flick affair," was entirely separate from that of Herr Woerner.

Herr Strauss, however, has made it clear that, in his view, a wholesale cabinet change is required, in which not only the Defence Minister but Count Lambsdorff as well should be replaced. This Herr Kohl is trying at all costs to avoid.

Norway to offer oil concessions abroad

BY FAY GJESTER IN OSLO

FOREIGN oil companies have been offered substantial stakes in 14 petroleum exploration concessions which the Norwegian Government plans to allocate soon under the country's eighth offshore licensing round. On six of the concessions, moreover, the Government has asked foreign companies to act as operator. Deadline for acceptance of the Government's proposals is February 7.

Details of the offers, published at the weekend, show that the ruling centre-right coalition believes foreign companies should continue to play a major part on the Norwegian shelf.

This is in contrast to the opposition Labour Party, which believes that the role of foreign companies should be gradually reduced, in order to give increasing scope to the three "established" Norwegian oil companies: state-owned Statoil, Norsk Hydro, in which the state has a controlling share, and Saga Petroleum, an independent company backed by many of Norway's leading industrial, financial and shipping companies.

A feature of the eighth-round proposals is that they recommend letting a fourth Norwegian oil company – Det Norske Oljeselskap (DNO) – join the trio of "approved" Norwegian oil companies allowed to take part in activities on Norway's shelf.

DNO, which to date has been forced to operate outside Norway, will be offered stakes in two blocks or licensed areas – including the most promising of the 14, "Diamond block" (34/7). Its share will be tiny – 1 per cent, on each block – and as the price of admission to 34/7 it must also accept the 1 per cent it is being offered on the far less attractive North Norwegian block 7121/7.

In addition, since DNO's admission to the shelf represents a policy change, the offer will not be definite until the Storting (parliament) has agreed to it.

The expected parliamentary agreement will be sought in a policy document to be tabled in February or March.

Two smaller Norwegian independent oil companies – Norse Petroleum, and Norsk Vikingolje – will ride into the eighth round on DNO's coat tails. The company will let them take small shares in the stakes it is awarded. On the important block 34/7, Norsk will secure 0.1 per cent and Vikingolje 0.05 per cent (10 per cent and 5 per cent, respectively, of DNO's 1 per cent).

Inflation falls in Italy

By James Buxton in Rome

THE ITALIAN inflation rate is continuing to fall, after dropping below 13 per cent last month for the first time for several years. This month prices rose 1.2 per cent, producing an annual inflation rate of 12.5 per cent.

The monthly increase was higher than for the previous two months, mainly because indexed rents automatically went up at the beginning of the month.

The Government aims to get inflation down to an average of 10 per cent this year, against last year's average of 15 per cent.

Talks on reducing the workings of the *scala mobile* wage indexation system, regarded as an important contributor to inflation, are approaching a crucial stage, with the three union federations divided among themselves on how it should be changed.

A full session of the talks chaired by Sig Gianni de Michelis, the minister of labour, is due to take place later today.

In the meantime, however, the Government is taking comfort from slight indications of economic recovery during the last few months of last year and from the fact that Italy's trade deficit in 1983 fell to L9,000bn (£3.7bn) from L16,000bn in 1982. Exports rose 4 per cent in volume and more than 10 per cent in value, while imports fell 0.5 per cent in volume and 3 per cent in value.

Soviet military spending growth slows down

BRUSSELS — The rate of growth of Soviet military spending has slowed markedly over the past seven years after soaring in the early 1970s, a study by Nato's Economic Committee concludes.

Its latest estimate is that Moscow's defence outlays since 1976 have grown at less than 2.5 per cent a year in real terms, compared to 4-5 per cent in the early 1970s.

The report, updated to include 1982 figures, indirectly admits that previous Nato estimates of recent growth in Soviet arms spending were exaggerated.

Reuter

Spain's entry hopes lifted by French minister's visit

BY DAVID WHITE IN MADRID

A TENTATIVE revival of optimism in Spain about relations with France and the prospects for unblocking negotiations on enlargement of the EEC marked the start of talks here yesterday with M Roland Dumas, the new French European Affairs Minister.

Sr Felipe Gonzalez, the Spanish Prime Minister, met him yesterday morning at the beginning of the minister's two-day visit which also includes discussions with Sr Fernando Moran, the Foreign Minister, and with his own opposite number, Sr Manuel Marin.

Friction between the two Socialist governments has been reduced significantly by recent French measures to clamp down on the presence, just north of the border, of alleged leaders of Eta.

The Mitterrand administration has meanwhile promised to give Spain a firm answer regarding its EEC entry application before the end of France's current six-months stint in the Community presidency.

Completion of EEC entry negotiations before the end of this year is regarded as essential if Spain is to meet its January 1986 target for joining the Community. However, Sr Moran said at the weekend that Spain would not set a deadline for completion. He chided Sr Mario Soares, the Portuguese Prime Minister, for being "a little childish" in suggesting that Portugal would withdraw its entry bid if its negotiations were not finished this summer.

Diana Smith adds from Lisbon: Sr Soares insists that there are alternatives to joining the EEC: particularly, stronger relations with the U.S., Africa and other markets.

In practical terms however, Community membership offers Portugal the broadest range of support for much-needed industrial, agricultural and regional development.

During his recent visit to Lisbon, M Pierre Mauroy, France's Prime Minister, stresed that his Government would do all it could to speed up entry negotiations. Sr Soares, meanwhile, is trying to goad Community leaders into giving a clear answer.

Gromyko looks to Romania

By Anthony Robinson in London

HAVING re-established lines of communication with the West through a series of bilateral meetings with Nato foreign ministers at the Stockholm disarmament conference, Mr Andrei Gromyko, Soviet Foreign Minister, has now turned his attention to improving Soviet relations with Romania.

Romanian demands for more cheap Soviet oil and better access to Soviet and other Comecon markets are likely to loom large on the Romanian shopping list. But Mr Gromyko, who flew to Bucharest yesterday, is expected to try to persuade President Nicolae Ceausescu to fall in behind the rest of the Warsaw Pact countries and give total support to Moscow's retaliatory moves against the deployment of new U.S. missiles in Western Europe.

Romania has called on both sides to reduce the number of missiles and arms in Europe and has refused to accept the need for higher military budgets.

Last weekend, the Romanian party newspaper Scinteia opened up a new point of divergence with Moscow by attacking the recent split in the Spanish Communist party and the establishment of a pro-Moscow break-away faction.

Meanwhile, the Foreign Office in London has dismissed reports of a forthcoming visit by Sir Geoffrey Howe, British Foreign Secretary, to Moscow

Aral criticised on competition

By Rupert Cornwell in Bonn

THE West German Cartel Office has formally asked three of the country's leading oil companies to make changes in the petrol and diesel distribution system of their jointly-owned subsidiary Aral, on the grounds that the present arrangement limit fair competition.

Hitherto, the company, which operates West Germany's biggest petrol station chain with some 4,400 stations in the country and 2,000 abroad, has distributed products supplied by its three parents on the basis of their shareholdings in Aral.

The three owners are Veba Öl, which holds 56 per cent of Aral, Mobil Oil AG, which has 28 per cent, and Wintershall AG, part of the BASF chemical group, with 15 per cent.

Veba and Wintershall indicated yesterday they would contest the ruling.

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UK holds last-minute steel talks on eve of EEC deadline

BY PAUL CHEESERIGHT IN BRUSSELS

THE European Community's effort to restructure its ailing steel industry reaches another turning point today as the Ten run into a deadline for the final submission to the Commission of their industrial and financial plans for national steel industries. Without Commission approval of these plans, governments cannot provide new subsidies for their industries. But subsidy programmes agreed with the Commission before today will continue.

The British Government yesterday was involved in last-minute talks with the Commission on further subsidies, independent of a new corporate plan for the British Steel Corporation (BSC).

Today's deadline springs out of agreements reached in June 1981 when the Ten agreed first to control the steel market and second to a code for the grant of subsidies for the steel companies.

This Code of Aids, as it is called in Brussels jargon, spelt out the conditions under which subsidies could be granted and laid down a timetable for their elimination by the end of 1985. In 1986, the European steelmakers should be operating without subsidies, competing in a free market. The market controls come off at the end of 1985, too.

The Code links the provision of subsidies to the elimination of capacity and the achievement of financial viability by the end of 1985.

In June 1981 it was decided that, by the end of September 1982, the Ten would have to submit their restructuring plans to the Commission. By the end of June 1983, the Commission would have to give a ruling on these plans — that is, it would have to decide what level of subsidy would be appropriate in order to reach the end-1985 target.

The plans were not generally produced, except in sketchy form, however. Then, in September 1982, the Ten decided that they would have to cut more capacity anyway. This forced the Commission to two things: first, at its June 1983 deadline it could give only conditional approval to what national plans it had and, second, it spelt out the extra capacity cuts which each nation would need to make.

Today, this conditional phase ends, in line with the deadline the Commission imposed last June when it could not do fully what in June 1981 it had been told to do.

Until now the Commission has been allowing governments to provide what might be loosely called interim subsidies. That now stops. "Minitranches of aid to allow companies to survive is finished," said Mr Frans Andriessen, the competition commissioner, last week.

The only fresh authorisations of subsidy will have tobe linked to a final restructuring plan. To win the authorisations a government will have to prove to the Commission:

- that a company will be viable by the end of 1985;
- that a company is making enough capacity cuts to secure that viability, in line with the cutback decision of June 1983.

But where there is no plan, there can clearly be no Commission decision, and that is the case for Britain, France and Italy.

In these cases, subsidies being paid will have to have been agreed by midnight tonight. Hence, the British flurry of talks with the Commission. The final BSC plan will not be in Whitehall until April; thus it will certainly not be in Commission hands until the summer.

So, breach of the deadline does not mean that no further subsidies can be paid, but that no fresh subsidies can be authorised.

Finsider likely to reopen Bagnoli complex soon

BY JAMES BUXTON IN ROME

FINSIDER, the Italian state steel company, expects to reopen soon the Bagnoli complex near Naples as a result of the concessions on quotas which the Government obtained in Brussels last week.

Ministers said at the weekend that Bagnoli's output this year would be low. Finsider declared yesterday that it was still evaluating how and when to reopen the plant.

There is a brand new plant costing L900bn (£374m) for making flat products at Bagnoli.

Most of the complex has been closed for more than a year and Finsider has said it would only start up the new plant if Italy won higher quotas at last week's EEC Council of Ministers.

Although Italy did not formally gain any extra quota it did get an assurance that it would be able to make use of flexibility in the quota system—by taking advantage of other producers' unused quotas—to produce a few hundred thousand tonnes of steel at Bagnoli this year. Italy is also to go to the European Court in at attempt to prove its right to an extra 350,000 tonnes of quota.

An original Italian request for 1.2m additional tonnes this year was not advanced at the meeting.

The Government has been under heavy pressure from unions and politicions to reopen Bagnoli, even though it is highly questionable whether it will be economic despite "flexibility" on quotas. However, Finsider pointed out yesterday that, as the new plant would be "running in," a high output could not be expected this year.

By today, the Government is due to present a detailed plan to the European Commission on how it intends to cut 5.8m tonnes of steel capacity by the end of 1985, in response to the Commission's request last June for a reduction of 4.8m tonnes in the public sector and 1m tonnes in the private sector.

Finsider's plan for cutting 3.8m tonnes is already with the Commission, although it has not been approved formally by the Italian Government. Plans for cutting 2m tonnes in the private sector are still vague and Brussels has not yet formally accepted Italy's shift of 1m tonnes of cuts from the public to the private sector.

Bonn warns would-be refugees

By Our Berlin Correspondent

BONN has warned East Germans attempting to leave the country for the West not to seek refuge inside Western embassies in East Berlin. Two groups of East Germans recently took refuge in the U.S. embassy and the West German permanent mission in East Berlin and were subsequently allowed to go to the West.

The warning, by Herr Philipp Jenninger, Chancellor Helmut Kohl's aide in charge of relations with East Germany, was broadcast repeatedly to East Germany yesterday in West Berlin radio news bulletins.

He told the Frankfurter Allgemeine newspaper yesterday that East Germans might quickly find themselves in a "blind alley" if they continue seeking refuge in Western embassies. Understandable as such actions were, "we must warn against regarding them as a pat solution and against believing one can force one's way out this way."

Herr Jenninger said that East Germans should not "mistakenly assume" that Western embassies or Bonn's permanent mission could grant them political asylum.

"Whether we like it or not," he said, the East German authorities decide on exit permits in each case.

Leslie Colitt in Berlin reports on an important change in the East German economy

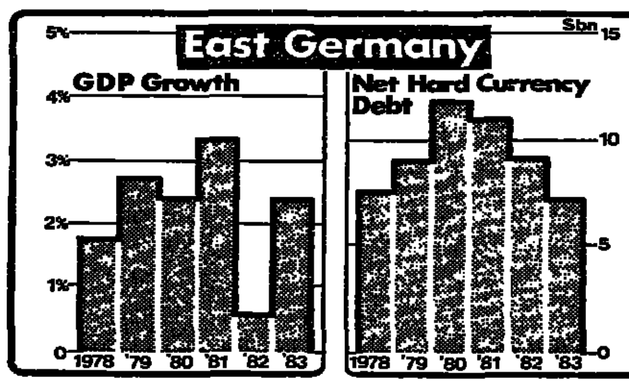
How a wage tax is really a price subsidy

EAST GERMAN industrial managers will find it difficult to meet the Communist Party's demand that they show a profit this year, unless they quickly start shedding manpower. For the Politburo ruling that all state industrial companies must pay a 70 per cent wage tax comes into force this month. Until now, a wage tax did not exist.

The measure, potentially the most important economic step East Germany has taken in 20 years, was published in the legal gazette last year as a decree entitled "Contribution to the Social Fund." It is designed to end the low cost of labour: average monthly industrial wages in East Germany are 1,075 marks compared with DM 2,719 in the West. East German factory managers have therefore tended to hoard workers to help cope with surges in production.

The new wage tax will not add a pfennig to pay packets, but will provide a large source of revenue which the Government can use to subsidise low consumer prices for basic goods and services. Subsidies will rise this year by a sharp 11.3bn marks to 33.1bn marks out of a budget of 23bn marks (£5.8bn).

The East German Press has said little about the wage tax. The official view is that it is not a reform—the word is anathema — but a routine method of improvement. One reason for the reluctance to discuss it publicly is that it is designed to redistribute manpower on a large scale. If successful, it will undoubtedly cause many East Germans with high qualifications to end up in jobs they feel are below their standard.



Debt figure excludes West German bank loans

The word reform has been taboo in East Germany since the proclamation 20 years ago of the New Economic System of Planning and Administration (Nospl) under which company profits were suddenly given a central role in the economy and industrial prices were reformed.

The New Economic System was derived from a Pravda article in 1962 by the Soviet economist, Mr Jevsei Liberman, who said profits should be the chief indicator of a state company's performance and that employees should be given bonuses based on company profitability.

East Germany's late leader, Herr Walter Ulbricht and his chief economic planner, Herr Gunter Mittag, went several steps beyond the cautious Soviet reforms based on Mr Liberman's teachings, and this proved to be the downfall of Nospl which was silently buried at the close of the 1960s.

Herr Mittag, who is still the Politburo secretary responsible for the economy, has convinced Herr Erich Honecker, the present East German leader, that many elements of Nospl were correct and that Mr Yuri Andropov, the new Soviet leader, is heading in the same direction. This time, however, East Germany is being careful not to outpace the Soviet Union.

The prices which industry pays for its raw materials are again being raised in East Germany this year to bring them further into line with international levels. Starting this month, East German agriculture has to pay the same prices as industry for energy and other purchases, while collective farms and producers with garden plots will be paid at least 15 per cent more for their crops to stimulate higher yields.

Consumers, however, do not face higher prices for basic foods, services, transport (which from next year will also pay the wage tax) or rent, which all remain at the level of the late 1950s. This explains the sharp jump in subsidies this year, to maintain low prices for esentials.

After telling the people for years that stable prices for essential goods and services represent one of its most important achievements, the party would find it difficult to reduce the enormous consumer price subsidy. This is said to cover 80 per cent of all consumer products. East Germans question this figure, complaining of constantly rising prices for all but basic goods. There is no desire to move in the direction of Hungary's socialist market economy however, where most prices have been freed from controls.

All the measures introduced in East Germany to make the economy more efficient are centrally issued directives, including regulations to save energy and raw materials, and even a decree describing in detail how metallurgical products are to be distributed.

The more decrees issued, the more controls are needed to see that they are followed. Thus, the party has introduced a decree obliging general directors of the Kombinate—the enormous industrial trusts — to render accounts to their superior Ministry to make sure they comply with directives on saving raw materials and energy.

Until now, the highly centralised command economy has worked better in East Germany than in other Comecon countries, especially the Soviet Union. But now it is being called on to propel East Germany into the micro-electronics age and to close the 30 per cent gap in labour productivity compared with West Germany.

The country has set itself a target of 4.4 per cent growth this year, the highest among the Comecon countries. It is trying to increase exports and curb imports so that it can repay an estimated $4bn this year on its hard currency debt of which, $8bn is owed to foreign banks, and $1.5bn to West German banks. It must also repay its cumulative trade debt to the Soviet Union, which has soared in recent years because of higher priced Soviet energy.

The introduction of the wage tax may go some way toward improving the efficiency of East German industry. However, it is the lack of competition in the large industrial Kombinate and the absence of a profit motive which could undermine its hopes of restructuring the economy in the longer term.

Reagan can win by landslide, says campaign chief

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan would win "in far more of a rout" than in 1980 if the U.S. Presidential elections were held now, but the contest will become much closer as the November election date draws nearer, Mr Edward Rollins, Mr Reagan's campaign director, said yesterday.

Mr Rollins, speaking only hours after Mr Reagan formally announced his candidacy for a second term in the White House, said that the President was now easily ahead in 45 or 46 of the 50 states, assuming that his challenger would be former Vice-President Walter Mondale, the Democratic front-runner. Mr Reagan carried 44 states in 1980.

"My assumption is that Ronald Reagan can win by a landslide," Mr Rollins said. He conceded, however, that Mr Mondale could win in a very close election "if everything went wrong" for the Republicans.

Mr Reagan himself declined to forecast whether he would win re-election, saying he was superstitious about predictions. He said that he would be willing to debate with his Democratic opponent, but that it was too early to say anything about the details.

Mr Reagan acknowledged that the U.S. military involvement in Lebanon could become a major campaign issue, as many of his advisers fear. "It depends how long we are there," he said.

Anthony Robinson writes: The Soviet news agency Tass responded less than enthusiastically to President Reagan's decision to stand again and said his eventual re-election would be bad news for the world.

The President's claim that the last three years had strengthened security and made the world a safer place was "obviously untrue," Tass said, adding that on the contrary, the Reagan Administration had "endangered peace and worsened international relations."

Referring to Mr Reagan's reference to finishing the job begun in his first Administration, Tass asked rhetorically what the unfinished work was, and listed examples of U.S. "brigandage and terrorism" around the world from Grenada to Lebanon, and repeated Soviet claims that the U.S. Administration was responsible for the break-down in arms control talks.

Feature, Page 16

Money-supply watchers suspect that changes in reserve requirements may have little effect on the Fed

It's Thursday, not Friday, but the rest is uncertain

AN INNOVATION in the techniques the Federal Reserve Board uses to define U.S. monetary policy, which many economists insist is an essential ingredient in controlling the money supply, comes into effect this week.

But instead of ushering in a new era of Fed policy, which monetarist economists had hoped for, the change is now thought to be unlikely to have any far-reaching impact on monetary policy for the time being. It is, however, expected to add to the uncertainty which already surrounds the central bank's operations in the money markets.

Under the new rules, known as Contemporaneous Reserve Requirements (CRR), the banks will have to keep their non-interest bearing reserves at the Fed on a more timely basis. How the Fed should modify its operating procedures in the light of the change is likely to be one of the topics for discussion at this week's important two-day meeting of the central bank's monetary policy making arm, the Open Market Committee, which started yesterday.

Although CRR is an innovation in today's financial landscape, it was the rule at the Fed until 1968 when it was replaced by the Lagged Reserve Requirements (LRR) system which is now being dismantled.

Individual banks are required to keep interest-free reserves with the Fed on the grounds that these reserves constrain their freedom to increase loans and so multiply deposits in the banking system as the loans are taken up. The theory is itself disputed, but it remains a cornerstone of monetary policy not only in the U.S. but also in West Germany, for example.

In the U.S., the basic requirement for transactions accounts is that banks must put aside reserves at the Fed equivalent to 12 per cent of their deposit liabilities. Since 1968 the banks (and other financial institutions such as savings banks to which reserve requirements apply) have been able to build up their deposits in one week, but have had to put aside the extra reserves to cover these deposits only after two weeks.

In the 1970s monetarist economists rounded on this system of managing an important element of the monetary base, saying that it allowed the banks, not the Federal Reserve, to determine how fast the money supply would grow.

They maintained that since the banks had already made the loans and built up the deposits in their balance sheets two weeks earlier, the Federal Reserve had virtually no alternative but to supply them with the reserves to cover these deposits on the day that the reserve requirements had to be lodged with the twelve regional Fed banks, thus weakening its ability to control the money supply.

CRR comes into effect on Thursday. It is a complex change which has been explained in more detail than can be attempted here by two Salomon Brothers economists, Mr Robert Di Clemete and Mr Jerry Pegden.*

The Contemporaneous Reserve Requirements system is unlikely to usher in a new era of policy, writes Stewart Fleming in Washington. But it will cause the money supply figures to be released earlier in the week.

Under both CRR and LRR, reserves are computed on the basis of a daily average deposit balance. Under the new system, however, the reserve maintenance accounting period will be extended from one week to two weeks. For transactions balances at banks, (essentially cheque accounts), which make up the bulk of the M1 measure of the money supply, the banks will in future have to put aside reserves within two days of the end of the reserve accounting period, instead of two weeks after the end of the period. (A modified lagged system remains in effect for non-transactions accounts and Eurodollars).

In theory, what could happen now with CRR is that if the banking system finds its deposit base rising, it will have to take fast action either to beef up its reserves or alter its deposit mix. The Fed can also react more rapidly to changing demands for reserves.

Economists on Wall Street, however, are suggesting that major changes are not to be expected for the time being. They make the point that although the Fed in 1979 switched to focusing on bank reserves rather than interest rates as the lever through which it would operate, around October last year, it retreated from this relatively "monetarist" approach. Some economists say it is back to watching interest rates again.

The Fed itself says only that it is putting less emphasis on the narrow M1 measure of the money supply and more on the broader monetary aggregates and the general state of the economy. So CRR is coming on stream at a time when the M1 measure, against which the contemporaneous reserves are deposited, is not playing a priority role in Fed thinking.

There is a lively debate going on within the Open Market Committee about whether the time has come to put M1 back on its pedestal.

While the Fed thus appears to have ruled out any sudden shift back to the methods which many maintain were partly responsible for the extreme interest rate volatility during 1980 and 1981 (U.S. interest rates have now been very stable for several months), the shift to CRR will not go unnoticed.

It creates a new range of uncertainties for both the banks and the Fed about the likely demand for reserves and for the banks, the cost of these reserves. It is anticipated that for a while the uncertainty will result in an increase in reserve demands as the banks play safe.

Although the Fed has attempted to offset the uncertainty in the changeover period by increasing the freedom of banks to "carry over" reserves from one reserve maintenance period of two weeks to the next, the markets are assuming that the central bank will also play it safe in the transition period. They think that the Fed will try to ensure that it does not result in unwanted shortages of reserves, which might create the impression that it is tightening its monetary policy.

Some practical changes will also occur. One is that the money supply figures, although still published weekly, will again be released on Thursday each week at 4.15 pm instead of on Friday. Money market economists suggest that the switch to Friday a few years ago has failed to have the desired effect of reducing the attention that the financial markets give to the figures.

Beyond such practical changes the impact of the switch to CRR is uncertain. Salomon Brothers* suggests for example that partly because of the longer reserve maintenance period, the change will make Fed open market interventions into the money markets less frequent and less easy to interpret.

The real test, however, is expected if and when the Fed goes back to putting greater emphasis on M1 in its conduct of monetary policy. The choices it makes at that time could, depending on how they are implemented, make interest rates more volatile again.

** The Federal Reserve's new system of contemporaneous reserve requirements: Salomon Bros, 1 New York Plaza, New York 10004, USA.*

Productivity growth in U.S. slows sharply

BY STEWART FLEMING IN WASHINGTON AND TERRY DODSWORTH IN NEW YORK

THE GROWTH in productivity in the U.S. which has been an important factor behind last year's modest inflation rate of just under 4 per cent, slowed sharply in the fourth quarter, the Labour Department said yesterday.

Non-farm business productivity increased by 1 per cent in the October-December period as a result of a 6 per cent increase in output and a 5 per cent rise in hours worked. In the third quarter, productivity rose 2.3 per cent.

For the year as a whole there was a 3.1 per cent rise in non-farm business productivity.

● U.S. machine tool shipments fell by almost 10 per cent last year, but ordering patterns in the last few months indicated a steady strengthening of the market which appears to have continued into January.

Orders in 1983 were up by 13 per cent from \$1.5bn (£1bn) to \$1.7bn, according to the National Machine Tool Builders' Association.

In December, they rose by 25 per cent from \$121m in 1982 to \$151.2m, while machine tool companies are reporting even stronger demand this month.

Deliveries in December, however, were down by 9.8 per cent from \$264.2m to \$238.4m.

U.S. to sell helicopter spares to Guatemala

BY OUR U.S. EDITOR IN WASHINGTON

THE REAGAN Administration has taken a controversial decision to sell \$2m (£1.2m) worth of helicopter spare parts to Guatemala—in the first sale of military equipment to the country since 1977 — U.S officials said yesterday.

Congress voted to cut off nearly all military and economic aid to the Right-wing Guatemalan military government last November, following the murder of three teachers working for a U.S.-financed project.

The State Department, however, said that the move would not violate the Congressional ban as it involved a cash sale, not U.S. aid. The parts are needed to repair six U.S.-made helicopters used against leftist rebels.

The U.S. decision became known on the eve of a trip by Mr George Shultz, the State Secretary, to El Salvador, Venezuela, Brazil, Barbados and Grenada, the main theme of which is billed as "democratisation."

U.S. officials said that in Barbados, Mr Shultz would discuss the formation of a mobile peace-keeping force for the Organisation of East Caribbean States (OECS), the group which asked President Ronald Reagan to intervene in Grenada last October.

In El Salvador, Mr Shultz is due to meet both declared candidates for the March 25 Presidential elections

In Venezuela, Mr Shultz is to attend the inauguration of President Jaime Lusinchi. In Brazil, Mr Shultz is to sign a memorandum of understanding providing for joint U.S.-Brazilian defence production.

IMF interim committee to meet in April

By Philip Stephens

INDUSTRIAL nations have set April 12 as a provisional date for a meeting of the International Monetary Fund's policy-making Interim Committee, apparently settling differences over whether it should convene this spring.

European monetary officials said yesterday that there was now a "good probability" that the talks would be held despite initial reluctance on the part of leading members such as the U.S., West Germany and Britain, who had suggested it was unnecessary to meet

The Interim Committee's chairman, Belgian Finance Minister M Willy de Clercq, has been pressing for a meeting on the grounds that it is an important forum for developing nations.

Two fight for Ecuador Presidency

BY SARITA KENDALL IN QUITO

THE TWO leading candidates in the Ecuadorean Presidential election, Sr Rodrigo Borja and Sr Leon Febres Cordero, will go forward to a second round run-off as predicted by opinion polls, as neither won an absolute majority in Sunday's voting.

Unofficial results covering some 2.2m votes, estimated at more than three quarters of the total, gives Sr Borja 28.7 per cent and Sr Febres Cordero 27.8 per cent. In third place, is Sr Angel Duarte with 13.5 per cent The remaining six candidates all have well under 10 per cent of the vote.

Neither Sr Borja's party, the Democratic Left, nor Sr Febres Cordero's Social Christian Party is likely to have an overall majority in the congress, though both will be well represented.

The Government's Christian Democrat Party made a poor showing, mainly because of the tough economic measures President Osvaldo Hurtado has had to adopt.

The second round is set for May 6, allowing the two candidates another three months of campaigning.

Former Chilean minister arrested

BY MARY HELEN SPOONER

THE former Chilean Finance Minister, Sr Rolf Luders, has been arrested on Government charges of violating banking laws while serving as vice-president of one of the country's largest financial conglomerates, the BHC group.

Sr Luders, a University of Chicago-trained economist, was Finance Minister barely six months before his abrupt removal last February. His departure came while he and other Chilean officials were meeting with foreign creditor banks to refinance \$3.5bn (£2.5bn) of Chile's \$18bn foreign debt and following the decision of Gen Augusto Pinochet's régime to seize administrative control of seven troubled banks and finance companies.

Council of Europe assembly halted

STRASBOURG. – A protest over the presence of Turkish delegates at the Council of Europe assembly yesterday forced a suspension of its five-day winter session immediately after it opened.

The 12 Turkish Deputies from the Ankara Parliament took their places in the chamber despite warnings that they would face hostility over Turkey's human rights record and its general elections last November.

Turkey, although still a member of the 21-nation council, which groups Europe's parliamentary democracies, has not been represented at assembly meetings since the 1980 military coup.

Last year, three out of four members of the council assembly described the new parliament that took over from the military as undemocratic.

Reuter

1984 has heralded a spate of unexpected strikes in South Africa

Black workers raise their fists

BY BERNARD SIMON IN JOHANNESBURG

NINETEEN EIGHTY-FOUR was expected to be a calm year on the labour front in South Africa. With the economy in deep recession, unemployment mounting and managers in no mood for concessions, it was widely assumed that the fast-growing band of black trade unions would not risk a major confrontation. Black workers were thought unlikely to put their jobs as stake by going on strike.

Yet the year has begun with a rash of strikes unmatched since the labour reforms in the late 1970s began to bring black workers into the mainstream of official bargaining procedures. Two weeks ago at least 20,000 workers downed tools in plants ranging from BMW's motor assembly line to the Impala platinum refinery and several supermarket chains.

The biggest stoppage, which was also the first legal strike by blacks simultaneously in several plants around the country, involved 8,600 employees of AECI, South Africa's biggest chemicals producer in which ICI is a large shareholder.

The incidents were by no means isolated. BMW closed its factory north of Pretoria last week when 1,500 workers went on strike a second time, and at least a third of the workforce at a vanadium mine owned by Union Carbide also walked off their jobs.

Mr Reginald Hofmeyr, industrial relations director of Barlow Rand, the country's largest industrial group, now agrees that 1984 "is going to be extremely lively from the industrial relations point of view." He adds: "It may get worse when the economy really picks up"—in other words, in 1985.

With hindsight, the present spate of stoppages is not so surprising. Although official figures point to a decline in strike action last year (from 394 in 1982 to 220 in the first 11 months of 1983), industrial relations men suspect that many have not been reported. One AECI factory alone was hit by 20 stoppages in the first part of last year as new, competing unions in the chemical industry gradually began flexing their muscles.

Paradoxically, the recession is a direct cause of much of the unrest. Black families are being squeezed by a combination of lower wage increases, retrenchments, the drought in rural areas and remorseless double digit inflation. Each breadwinner is having to support a growing number of dependants on a pay packet with shrinking buying power. According to a recent study by Mr Charles Simkins, a respected labour economist at the University of Cape Town, blacks' living standards declined by 4.1 per cent in the year to May 1983.

Workers' hopes of an improvement in wages have been buoyed for the past year by widely-publicised forecasts of an imminent economic upturn and by extravagant trade union promises. Just three weeks before Ford's local subsidiary laid off 450 workers earlier this month, it enthused in its in-house magazine that "the year ahead offers the opportunity for even more excitement and higher rewards."

Now that Christmas bonuses have been paid, workers, patience is wearing thin. Mrs Chris Bonner, an organiser for the Chemical and Allied Workers Union, observes that "holding back has not produced any results." Strikers appear to feel that they have as much to gain as to lose.

The stoppages are of less concern to many employers, however, than the realisation that black trade unions are turning out to be more radical and less accommodating than they had hoped. Having allowed black unions to flourish since they were first legally recognised in 1978, many employers feel let down now that the unions are not playing the game

Barlow Rand signed recognition agreements with 42 unions in the three years to last September. But its metal and engineering subsidiaries were hit by 10 strikes in the space of six weeks last year. The group's chairman, Mr Mike Rosholt, complained in his last annual review that "the conflict between private enterprise and some of the union groupings is unfortunately very basic indeed."

Instead of sticking to wages and other narrow shopfloor issues, many unions believe they have a mandate to press for improvements over a much broader front.

Their impatience is summed up by Mr David Sebabi, general secretary of the Metal and Allied Workers Union (Mawu) which has made some of the most spectacular advances in recent years. Some employers, he says, "take everything from a legal point of view. That's meaningless to workers."

Employers' fears in the late 1970s that unions would become an important channel for blacks' political grievances are becoming a reality. Several unions spoke out last year against the Government's plans for a new constitution. They are now actively lobbying against changes in the tax system which will put blacks on the same tax footing as whites.

Although that will mean the removal of one brick from the wall of apartheid, unions say that blacks were not consulted about the changes. They are seizing the opportunity to point out the injustice of taxation without representation.

The temperature has been further raised by the increasingly tough line taken by employers. Most of the recent major disputes have ended either with dismissals or threats of dismissals. In the AECI case, workers were threatened with dismissal, despite the fact that they had followed all the conciliation procedures laid down by law. The company says that it decided on that course of action to minimise both its own and the chemical union's losses. Nonetheless, it showed that when the chips are down, management still holds all the trump cards.

Ivory Coast in line for \$90m loan from IMF

By Peter Blackburn in Abidjan

THE International Monetary Fund (IMF) is expected to approve a one-year stand-by credit worth some \$90m for the Ivory Coast. Approval is likely in March, and follows agreement in principle on a new programme, reached in Abidjan last week, according to finance officials.

The stand-by credit replaces a three-year SDR484.5m (\$501m) extended credit facility which expires in February.

The IMF agreement, although much smaller than its predecessor, is expected to reassure the Ivory Coast's commercial creditors who were last month requested by the government to reschedule nearly \$650m of public sector medium-term debt payable in 1984.

A nine-bank steering committee, chaired by Banque Nationale de Paris met for the first time in Paris on January 26, and an economic sub-committee is scheduled to meet in early February. But no progress in the rescheduling talks is expected until April, when details of the IMF agreement and recovery programme should be available.

Drought-hit nations in talks

By Our Abidjan Correspondent

HEADS OF state from eight drought-stricken nations in Africa's Sahel region yesterday began a summit meeting in Niamey, the capital of Niger, to co-ordinate their appeals for increased aid.

The eight are facing the worst famine since the drought of 1973, with an estimated food deficit of some 1.6m tonnes, according to the Permanent Committee for Drought Control in the Sahel (CILSS), which is organising the meeting.

The worst-hit states in the region, along the southern fringes of the Sahara desert, are Chad, Mauritania, Mali and Senegal. Other members of the group are Cape Verde, Gambia, Niger and Upper Volta.

Maize crop hit—Page 28

Egyptians accept invitation to rejoin Islamic Conference

BY CHARLES RICHARDS IN CAIRO

EGYPT has accepted an invitation to rejoin the Islamic Conference Organisation (ICO), from which is was suspended in May 1979 for signing a peace treaty with Israel.

Asked whether any terms were attached to the invitation, President Hosnie Mubarak said "Egypt is working within the framework of the charter of the Islamic Conference. We respect our commitments. There is nothing from the Islamic Conference which touches on our sovereignty."

Mr Mubarak stated clearly that Egypt was being readmitted still clinging to Camp David, the peace treaty with Israel and its support for President Reagan's Middle East peace plan.

For Egypt, this fully vindicates its policies. As the former Prime Minister and senior foreign policy adviser, Dr Mustapha Khalil says: "Egypt has not changed the course of its policy. The others have changed the course of theirs."

Egypt's difficulties are not over yet. A three-man ICO mission in Cairo, led by President Ahmed Sekou Toure of Guinea, must report back to King Hassan of Morrocco, the Conference chairman, who will probably call an extraordinary summit to confirm Egypt's acceptance.

Some Egyptian officials argue this may not be necessary since Egypt's membership was suspended by a meeting of the ICO foreign ministers and never ratified by heads of state.

Arab radicals like Syria, Libya and South Yemen would persist in opposing Egypt's readmission.

They would equally oppose a similar move by moderate Arab states to have Egypt readmitted to the Arab League where, because decisions taken are unanimous, radicals have greater influence than at the ICO, where decisions can be taken on majority vote.

Egypt expects talks in Cairo next month with the International Monetary Fund on obtaining a one-year stand-by credit facility, central bank officials say, our Cario Correspondent writes.

The IMF mission, headed by Dr Abdel Shakour Shaalan, the Middle East director, will be arriving for the annual consultative meetings, but officials say that talks will inevitably embrace Egypt's request for stand-by facility.

The officials refute reports in the opposition Press that Egypt has postponed the visit of the IMF because it refuses to meet Fund conditions such as unifying the exchange rate and lifting the \$800m a year subsidy on bread.

Beirut airport closed as marines come under fire

BY PATRICK COCKBURN IN BEIRUT

BEIRUT airport was closed for about two hours yesterday when U.S. marines came under rocket and mortar fire. The marines replied with tank fire.

Four civilians and three marines were wounded.

The attack came as a surprise because there has been little fighting over the last 10 days, possibly as a result of bad weather in the mountains.

The airport is used largely by Middle East Airlines, the national carrier, and Alia, the Jordanian airline. Other airlines consider it too dangerous.

Meanwhile, in Damascus, Mr Donald Rumsfeld, the U.S. special negotiator for the Middle East, had further talks with Syrian leaders.

Saudi and Lebanese mediators have been trying to revive the security plan which would separate the combatants in Lebanon but appears to have run into insuperable obstacles.

President Hafez Al-Assad, the Syrian leader, has returned to work after three months' convalescence following a heart attack last November.

Australia plans petroleum resources rent tax

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE Australian Labor Government that won power last March is embarking on its first significant battle of wills with a major industry. This arises from its determination to introduce a resources rent tax (RRT) in the petroleum industry in time for the 1984-85 financial year.

The introduction of an RRT has been official policy of the Labor Party since 1977, though for now the Government is to concentrate only on the oil sector.

Australia is one of only five OECD countries which are net energy exporters and it has the capacity to expand its energy surplus greatly. At present, it exports only a tiny amount of crude. But 1983 was a good year for oil exploration, with the oil and gas sector buoyed by numerous significant finds, such as Broken Hill Proprietary's discovery of a worthwhile oil field in the Timor Sea, off northern Australia.

Broadly, Labor maintains that tax should be paid on the "economic rent" derived from mineral exploitation, the "rent" being regarded as the profit that is left after deduction of all expenses, plus an amount equivalent to the minimum return necessary to encourage investment in new projects.

Senator Peter Walsh, the Minister for Resources and Energy, says that at present, federal and state governments place heavy demands on the resources sector through "a hotchpotch of royalties, charges, and other imposts," many of them falling on companies which are only marginal producers, and bearing no relation to the profitability of specific projects.

The key features of the rent tax are these:

● It will replace existing taxes and royalties on all petroleum resources (crude oil, condensate, LPG, and natural gas), and will not be an additional tax;

● It will be a project tax, not a company tax;

● It will not be applied until a project's cash flow is positive (that is, until aggregate net earnings are in excess of total investment),

● It will be levied before company tax, and form a deduction from the company tax base.

WORLD TRADE NEWS

Champagne exports rise 13%

By David Marsh in Paris

"PEOPLE ARE drinking because they want to forget about the economy," says with a smile a leading executive at Moet-Hennessy, France's leading *champagne house.*

Whatever the reason, French sales of champagne braved the domestic recession last year to rise by 7 per cent — while bottles of bubbly sold abroad popper up by 13 per cent, thanks above all to sharply higher demand in Britain, the U.S. and Germany.

The corking performance — which followed four years of progressive sales declines — is ascribed by champagne specialists to the good harvests of 1982 and 1983, stable prices and the spurt of demand on export markets.

Overall bottles sold last year, at around 159m (up from 146m in 1982) however were still a long way short of the record total of 186m in 1978.

Domestic sales — which account for about 70 per cent of international consumption, the same as five years ago—totalled 109.8m bottles, against exports of 49.6m.

Last year's French sales succeeded in just creeping above the 109.4m sold in 1981, the year President Mitterrand came to power.

Demand from thirsty drinkers last year was led by Britain, where consumption rose 30 per cent to just over 10m bottles. In the U.S., sales rose 37 per cent to 9.7m bottles, while German trade—perhaps linked to Chancellor Kohl's election victory—increased by a whopping 46 per cent to 5.3m.

Sweden backs credit for Kenya plant

STOCKHOLM — Sweden's Government announced last week it had approved a special export credit worth SKr 300m (£26m) for Skanska Cementgjuteriet (SCG), a Swedish construction company, to build a power plant in Kenya.

SCG, in co-operation with the Foundation Company of Canada, in which it has a 39 per cent stake, has won four contracts involving the construction of the power station and the building of an adjoining permanent residential area.

The credit facility is the largest the Government has approved so far for a project in a developing country. It is expected to lead to possible Swedish exports of goods and services totalling SKr 205m.

AP-DJ

Work to be resumed on N-plant

By Leslie Colitt in Berlin

FEASIBILITY WORK is to resume on the Bushehr nuclear power plant following an agreement between Iran and the West German company, Kraftwork Union (KWU).

The project came to a halt after the 1979 revolution, when foreign experts left the country. Work on the two 1,200 MW reactors is between 50 and 80 per cent complete.

The first group of KWU specialists has arrived at the site of the power station.

KWU was commissioned by the Iranian Government to determine if it is prepared to complete the nuclear power project and at what cost. KWU says it will take up to nine months to finish its feasibility study.

In addition to the power station an adjoining city for 10,000 inhabitants was built as well as a harbour. The Iranians said the entire project was worth $3.2bn of which $2.28bn was paid to KWU. The company said only that it was the largest project it had ever built abroad.

Japan's vehicle exports up 1.4% last year

TOKYO — Japan exported 5,669,510 passenger cars, trucks and buses in 1983, up 1.4 per cent from a year earlier, while importing only 35,286 cars, industry officials said yesterday.

The modest export increase followed a 7.6 per cent decline in 1982 from a record annual high of 6,048,447 vehicles in 1981, an official of the Japan Automobile Manufacturers Association said.

The Association attributed the 1983 rise to increased demand for new cars in the U.S. and Western Europe following economic recovery.

The exports consisted of 3,806,396 passenger cars, up 1 per cent from 1982, 1,822,429 trucks, up 2.8 per cent, and 40,685 buses, down 13.3 per cent, the official said.

The U.S. was the biggest importer, with 2,234,375 vehicles, or 37.7 per cent of Japan's total exports. They included 1,697,852 passenger cars, up 0.4 per cent from 1982, 536,477 trucks, up 29.7 per cent, and 46 buses, the official said.

AP

Nancy Dunne reports on Washington's attempt to extend extra-territorial sanctions

Uncertain future for the U.S. export act

"I'm proposing, as part of the Act, that we set up armed guards at ever toy store in our area to make sure that no Soviet agent sneaks in and buys 'Speak 'n' Spell'."

Although he was speaking tongue-in-cheek, Senator Paul Tsongas illustrates one end of the wide spectrum of Congressional thought on the future of the export Administration Act (EAA), which governs U.S. export controls. Of the 80 odd provisions contained in the House and Senate draft versions of a revised EAA, just 20 are similar.

It will only be through a mammoth compromise that a Bill acceptable to the President emerges from a congressional conference committee by February 29, when the old legislation, now extended twice, is next due to expire. In fact, so much of the new EAA is anathema to the Administration that the President is said to prefer a permanent extension of the current Act.

It is the EAA which gave him the authority to impose extra-territorial sanctions in a controversial and futile attempt to stop equipment sales for the Siberian gas pipeline project.

The school of thought held by Senator Tsongas and most of the business community is that U.S. export controls are cumbersome, inconsistent and unnecessarily rigid. Worst of all, they have failed to prevent the transfer of technology to Communist countries.

However, most of the leakage, they contend, has occurred through illegal activities such as espionage and theft, which the EAA does not address. In fact, they say, export controls have weakened the U.S. by frustrating the efforts of American business to compete in the international marketplace.

Reagan Administration hardliners, on the other hand, argue that "a virtual haemorrhage of strategic technology to the Soviet bloc," can be stemmed by tighter controls. They want the power to impose import curbs on foreign companies which violate multilateral export control rules.

To buttress its case for more control, the Administration gave wide publicity to an incident which occurred when the Commerce Department *approved the shipment of a* highly sophisticated computer system to an overseas company already under investigation and controlled by a man under indictment for violating U.S. export laws. The computer was seized minutes before it was to be shipped to the Soviet Union via Sweden.

Sen. Tsongas: controls are cumbersome

The "near-miss" produced:

● New calls for a stronger role by the Defence Department in controlling the flow of high technology exports, now monitored principally by the Commerce Department;

● An agreement between the Commerce Department and the Customs Service, designating Customs as the liaison agency with foreign Governments rather than Commerce; and,

● New, toughened regulations, proposed by the Commerce Department, limiting the use of multiple sales licenses granted to U.S. exporters of high-technology products to non-Communist nations, which will add to the burden of U.S. exporters.

The last proposal is expected to produce fireworks among both exporters and U.S. trading partners. Eliminating the use of multiple licences could place an impossible burden on the already overstrained resources of Commerce's Office of Export Administration. The number of single application licences issued could rise from 95,000 last year to 1m, according to some estimates, seriously delaying applications.

It is widely agreed in Washington that commerce issued the new proposals to head off attempts by the Pentagon and Customs service to get additional authority over export controls in the EAA. The Commerce Department, which is more sympathetic to business interests, fears being reduced to a paper shuffling operation to process only licence applications.

The rules would add new extraterritorial dimensions to export control, requiring importers of U.S. products to provide Washington with information about their customers.

With various interests pulling in different directions, the shape of the final EAA, if it emerges at all, is unpredictable.

Thus far, the House of Representatives, in a Bill passed last year, agreed to bar the use of extraterritorial controls applied for foreign policy reasons, and it relaxed national security controls. The Senate Banking Committee, which has cleared a bill for floor action, gave the President the power to impose import controls, gave business a strong "contract sanctity" clause and agreed to relax national security controls, but to a lesser extent than the House.

Both houses are expected to call for the strengthening of Cocom controls and to demand a liberalisation of controls on products available to Communists in other Western nations.

"The problem," says Mr Richard Perle, assistant secretary of state of international security policy, "is coming to grips with the trade-offs that have to be made and who's going to make those trade-offs." He believes, "it is better wrongly to control than wrongly to licence."

This attitude towards trade losses infuriates the business community which says that the need to improve American export performance has never been more critical, and that the "nuisance factor" of export controls means a dangerous loss of important U.S. markets.

Business aircraft makers see sharp growth in 1984

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MANUFACTURERS AND users of business aircraft in the U.S. are hoping for a much better year in 1984 than in 1983, largely because of the general economic recovery, improved company profits and consequently improved spending plans.

Mr Edward W. Stimpson, president of the U.S. General Aviation Manufacturers' Association, which represents the builders of business aircraft in the U.S., said that during 1983, "a tough and challenging year," the industry built some 2,691 business aircraft, worth nearly $1.5bn (£1bn), or 36.9 per cent fewer aircraft and a 26.5 per cent lower value than in 1982.

During 1984, however, the industry—which also provides most of the business aircraft for the rest of the world—hopes to make a comeback, stimulated by the advanced technology and improved operating economy of the industry's new aircraft designs.

Mr Stimpson said that the U.S. industry expected to deliver 3,245 aircraft during 1984, or 21 per cent more than in 1983. The value of those aircraft would reach $1.7bn, or about 16 per cent more than in 1983.

This figure would be divided as to 170 business jets, 375 turbo-prop aircraft, 500 twin-engined piston aircraft, and 2,200 single-engined piston aircraft.

Out of the 1983 total of 2,691 aircraft delivered, worth nearly $1.5bn, exports accounted for 19.8 per cent of the shipments and 21.7 per cent of the value.

While in some past years, exports have accounted for over 30 per cent of the U.S. general aviation manufacturers' production and dollars, Mr Stimpson believes "that for 1984 exports will remain at the 20 per cent-or-lower level because of the continued world-wide recession and depressed economy.

"The strength of the dollar abroad has continued to hurt our competitive position, while making imports coming into the U.S. more competitive. Meanwhile, restrictive trade practices continue in a number of countries throughout the world, particularly in some of our best export markets."

U.S. GENERAL AVIATION MANUFACTURERS' 1983 RESULTS*

Manufacturer	Complete aircraft delivered	Net billing price ($ millions)
Beech Aircraft	402	250
Cessna Aircraft	1,219	362
Fairchild Aircraft	39	77
Gate Learjet	45	198
Gulfstream Aerospace	71	436
Lake Aircraft	28	3.2
Maule Aircraft/Maule Air	36	1.6
Mooney Aircraft	154	na
Piper Aircraft	661	135
Schweizer Aircraft	27	2.4
Total	2,691†	1,469

* Excluding military deliveries, helicopters and gliders. na not available.
† Includes nine units and $2.24m from Ayres Corporation.

Japanese win Singapore MRT contract

By Chris Sherwell in Singapore

A CONSORTIUM linking the three Japanese electrical giants *Hitachi, Mitsubishi* and Toshiba has won a contract worth S$58m (£19.4m) to design, supply and instal the air conditioning and ventilation system in Singapore's S$5bn Mass Rapid Transit (MRT) metro system.

The MRT Corporation said in an announcement yesterday that HMT Consort had beaten five competing contractors through the quality of its design with its strong emphasis on safety and "an extremely attractive U.S. dollars financing package through which the effective cost of the contract was reduced substantially."

Also important was HMT's experience in other countries, notably on Hong Kong's metro system, for which it also won the environmental control contract.

India plans $2bn orders for airlines

INDIAN AIRLINES and Air-India are expected to spend over $2bn in the next ten years on new aircraft, Reuter reports from New Delhi.

Indian Airlines managing *director Kamini Chadha, told a* news conference an official committee had considered the Boeing 757, the Airbus A300-B4, the Airbus A-310 and Boeing 767, among the possible aircraft that the two airlines could buy.

India is looking for aircraft with a seating capacity of around 200 and is likely to take a final purchase decision by June this year.

● Philippine Airlines has sold two new Airbuse A-300s it had in store at the manufacturer's plant in France, Emilia Tagaza writes from Manila. PAL originally ordered five A-300s in the late 1907s but only three were delivered because the projected increase in short-haul traffic did not develop.

PAL said the Airbuses were sold to an unnamed German company. The aircraft are valued at about $35m each. The proceeds are hoped to ease PAL's foreign debt payments problems, aggravated by the weak Philippines peso.

● Toa Domestic Airlines (TDA) plans to order two DC 9-81 jetliners from McDonnell Douglas, a TDA spokesman said, Reuter reported yesterday from Tokyo.

Mr Toshihiko Kubota, the TDA president, is expected to leave tomorrow for the U.N. to negotiate on the order. The company plans to introduce the aircraft around 1985, the spokesman said. TDA now possesses eight DC 9 aircraft.

Caricom to probe breaches of rules

BRIDGETOWN, Barbados — The Council of Ministers of the 13-nation Caribbean Community (Caricom) has agreed to establish a committee to investigate breaches of rules of origin for goods and other trade regulations, Mr Bernard St John, the Barbados trade minister, said on Sunday.

It also urged Guyana and Jamaica, which recently devalued their currencies, to make a special effort to buy more goods from Caribbean trading partners, Mr St John told a news conference.

The minister said the group had held two days of very frank discussions.

Reuter

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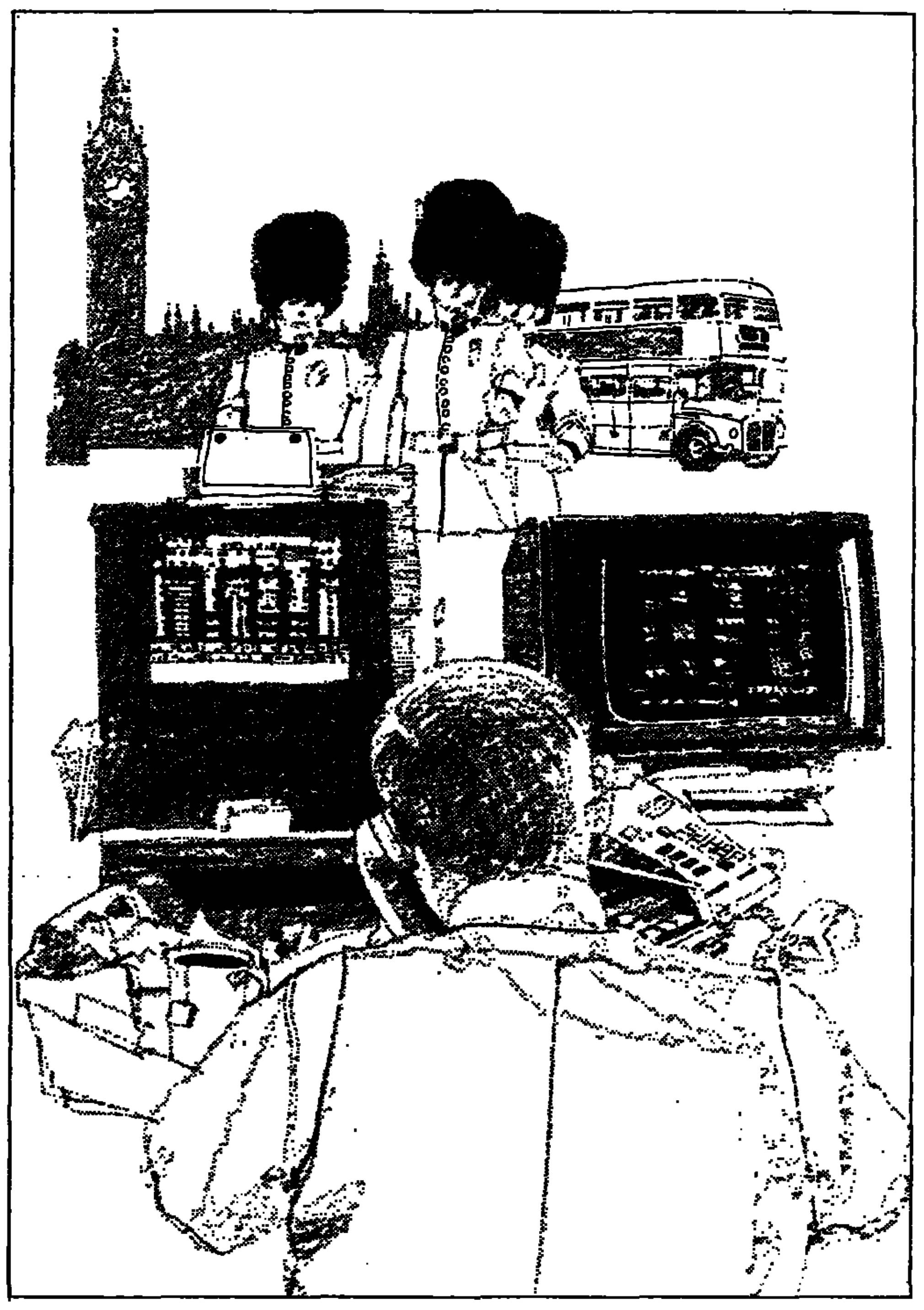
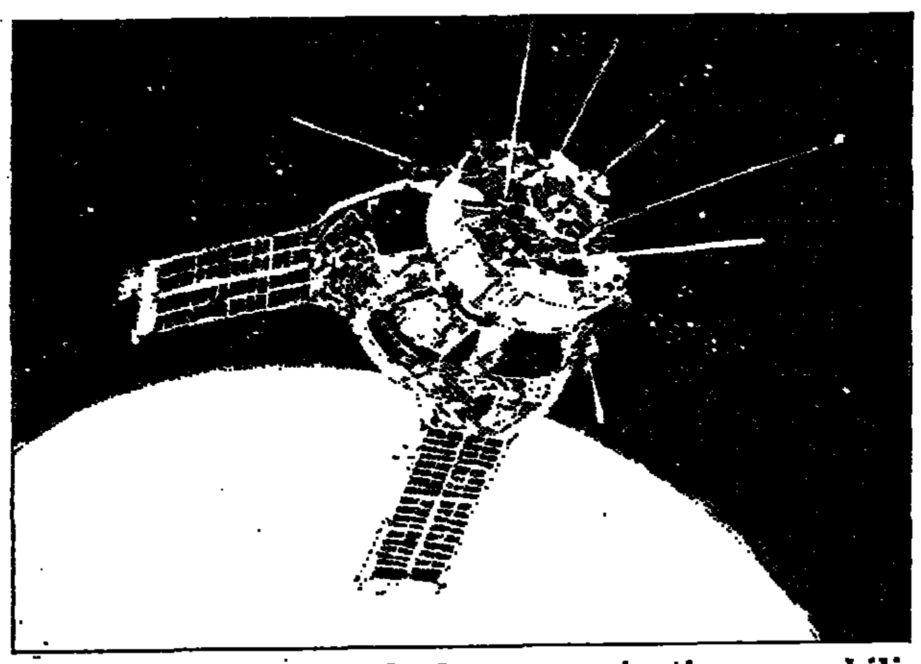


It's timely cash flow information. Our on-line reporting capability ensures that you have up-to-the-minute transaction details on your account with us in New York.



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UK NEWS

Unions may offer safeguard to prevent security centre ban

BY PHILIP BASSETT, LABOUR CORRESPONDENT

UNION LEADERS yesterday made clear to the Government that they were ready to examine measures to safeguard security at the top secret radio monitoring centre at Cheltenham, Gloucestershire.

Civil Service union officials, accompanied by Mr Len Murray, general secretary of the Trades Union Congress (TUC) are meeting Mrs Margaret Thatcher, Prime Minister, in London tomorrow to discuss a ban on union membership at the centre.

The Government believes the ban is necessary for reasons of national security, and wants to prevent a repetition of industrial action which in the past has disrupted work at Cheltenham. Employees have been offered £1,000 as compensation for giving up all trade union rights.

Indications in Whitehall last night were that Mrs Thatcher had no intention of allowing the meeting to become a negotiating session.

Left-wing members of the TUC's finance and general purposes committee were yesterday angered at suggestions that workers at the centre might agree to a no-strike agreement as a way round the ban.

Mr Murray: 'onslaught on union rights'

Mr Murray said there had been "an unprincipled onslaught on basic trade union and human rights which is of the utmost gravity to the trade union movement as a whole."

The TUC committee was concerned that if the Government's move went unchallenged there would be a danger to the rights of many other workers in security areas, in both the private and public sectors.

Hodge bank applies for shares listing

BY ALISON HOGAN

COMMERCIAL Bank of Wales, which was founded by Sir Julian Hodge in 1971 has applied to the London Stock Exchange for a listing of its shares planned for April.

"We are fulfilling a promise we made to our shareholders in 1971 that we would seek a quotation at the earliest opportunity," Sir Julian said yesterday.

Commercial Bank of Wales has some 5,400 shareholders. Sir Julian holds around 25 per cent of the equity and First National Bank of Chicago holds a further 20 per cent.

Sir Julian said the delay in the bank coming to the market was due first to the "financial holocaust of 1974–75 when the name of the game was survival."

Then, in 1981, the Bank of England refused full banking status to the Commercial Bank of Wales under the 1979 Banking Act. Sir Julian appealed against the decision and in 1982 the bank was granted full recognition.

Mr Malcolm Thomas, chief executive, said: "One of the principle problems in gaining recognition was our lack of provision of finance for foreign trade, a side of the business we have now built up. We are operating from a much more stable base than we were four or five years ago."

The bank made pre-tax profits of £716,000 in 1982, pulled down by "a bad debt in Jersey and a lean year for instalment credit" according to Mr Thomas.

The lifting of hire purchase controls and a lowering of interest rates resulted in a "good upsurge in business" in 1983 which helped towards an 85 per cent increase in pre-tax profits to £1.33m in 1983.

Times in fresh bid to settle strike

TALKS between the management of Times Newspapers in London and leaders of the print union Sogat 82 start today with neither side optimistic about a quick breakthrough.

The dispute over the re-allocation of managerial duties in the papers' library has stopped production of both The Times and the Sunday Times since Friday of last week.

The board of Times Newspapers yesterday rejected an offer of talks at the conciliation service Acas, in favour of a face-to-face meeting with union representatives at the offices of the Newspaper Publishers Association.

About 1,400 employees have now been dismissed or "stood down" without pay, but Mr Arthur Brittenden, the Times corporate affairs director, said that there were no plans to issue notices to other employees.

The Times has now lost nearly £2m as a result of the dispute and says that both titles are now in jeopardy.

The clerical chapel (office branch) yesterday solidly backed a continuation of the dispute, although some members of the Sogat production chapels have been hostile to the strike, and did not support action last week which led to the shutdown.

● MINERS would have lost £80m in wages if their overtime ban, called over a pay dispute, continued until the end of the coal board's financial year in March, Mr Peter Walker, Energy Secretary, said yesterday in the House of Commons. The ban started 13 weeks ago.

● RECEIVERS running the Terex construction machinery company at Glasgow have announced a further 400 redundancies. They bring to 1,080 the number of jobs lost since November when Terex, part of the now defunct IBH Holdings of West Germany, went into receivership. Progress had been made in finding a buyer for some of the company's assets, a statement said.

● E-SYSTEMS, of Dallas, Texas, the world's largest manufacturer of electronic warfare systems, has been given a listing on the London Stock Exchange. Dealings in the shares starts today. Mr John Dixon, chairman, said the London listing would help in the possible acquisition of UK companies.

IRELAND
U.S.$15,000,000 9% Bonds 1985

S.G. WARBURG & CO. LTD., announce that the annual redemption instalment of U.S.$900,000 due 1st March, 1984 has been met by purchases in the market to the nominal value of U.S.$155,000 and by a drawing of Bonds to the nominal value of U.S.$745,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:—

9	20	36	49	60	75	97	109	124	141
172	181	198	212	233	247	264	293	310	350
362	380	396	408	422	447	459	543	565	594
605	642	698	705	720	758	780	796	809	840
864	890	922	940	968	989	997	1030	1072	1083
1097	1144	1190	1200	1229	1368	1382	1393	1416	1429
1445	1453	1465	1489	1533	1559	1597	1607	1631	1644
1663	1684	1720	1730	1742	1758	1773	1785	1826	1856
1880	1913	1926	1948	1957	1965	1979	1991	2010	2061
2088	2101	2108	2122	2134	2155	2223	2244	2258	2296
2384	2418	2431	2441	2473	2648	2741	2790	2812	2833
2869	3027	3042	3056	3068	3094	3163	3189	3212	3233
3268	3311	3372	3417	3436	3446	3467	3482	3496	3575
3773	3793	3806	3816	3825	3840	3853	3863	3890	3899
3912	3921	3933	3941	3954	3986	3988	3996	4042	4053
4065	4078	4089	4098	4109	4121	4130	4143	4183	4190
4202	4233	4319	4332	4374	4400	4411	4439	4463	4503
4527	4539	4553	4635	4647	4660	4692	4713	4736	4767
4783	4800	4807	4826	4857	4878	4898	4913	4924	4944
5003	5021	5060	5110	5128	5137	5210	5224	5234	5250
5265	5276	5292	5310	5325	5335	5346	5357	5369	5383
5392	5401	5415	5428	5438	5446	5479	5494	5502	5510
5525	5533	5546	5559	5568	5576	5592	5602	5611	5621
5639	5652	5660	5669	5681	5696	5704	5713	5726	5739
5747	5765	5776	5788	5801	5814	5827	5844	5860	5882
5889	5906	5915	5935	5942	5954	5964	5981	5989	6002
6015	6034	6057	6092	6101	6136	6146	6160	6168	6182
6195	6205	6215	6229	6248	6262	6271	6282	6294	6305
6314	6327	6371	6388	6408	6449	6503	6535	6545	6561
6571	6740	6770	6785	6801	6810	6855	6877	6891	6923
6937	6946	6965	6970	6985	6994	7008	7017	7076	7086
7098	7150	7161	7174	7184	7208	7232	7274	7283	7295
7306	7316	7331	7387	7394	7409	7420	7436	7470	7525
7552	7566	7593	7604	7701	7718	7756	7765	7780	7792
7802	7839	7860	7912	7941	7958	7968	7980	8043	8058
8066	8079	8090	8103	8111	8122	8132	8148	8157	8178
8190	8236	8265	8280	8289	8312	8322	8338	8346	8358
8371	8381	8390	8404	8411	8444	8454	8464	8473	8487
8497	8510	8527	8536	8551	8562	8572	8585	8604	8616
8625	8636	8649	8659	8670	8683	8691	8707	8719	8724
8808	8825	8886	8896	8927	8936	8955	8963	8978	8986
8999	9012	9052	9096	9125	9137	9146	9186	9213	9223
9234	9246	9255	9267	9283	9293	9302	9314	9325	9335
9350	9363	9375	9388	9394	9407	9417	9427	9440	9453
9462	9511	9524	9532	9543	9555	9564	9620	9693	9701
9758	9764	9774	9783	9796	9806	9821	9830	9853	9861
9872	9900	9910	9920	9929	9941	10235	10247	10278	10291
10306	10316	10327	10344	10355	10368	10376	10386	10482	10501
10511	10520	10531	10546	10826	10838	10845	10858	10870	10880
10889	10902	10916	10925	10941	10956	10965	10986	10999	11005
11018	11030	11040	11051	11062	11071	11085	11095	11105	11114
11131	11141	11153	11161	11174	11183	11196	11205	11218	11228
11240	11248	11262	11269	11286	11295	11306	11314	11328	11344
11354	11364	11377	11390	11430	11440	11451	11475	11510	11518
11527	11539	11552	11561	11573	11583	11595	11606	11615	11646
11658	11674	11680	11692	11703	11718	11725	11737	11747	11757
11768	11780	11797	11810	11826	11833	11844	11862	11872	11884
11895	11913	11924	11938	11944	11959	11969	11978	11990	12003
12013	12025	12036	12060	12069	12080	12090	12100	12113	12125
12133	12150	12200	12241	12249	12262	12282	12294	12310	12319
12332	12343	12352	12364	12374	12398	12439	12453	12461	12510
12562	12583	12589	12613	12636	12646	12658	12668	12677	12691
12705	12715	12751	12778	12792	12802	12812	12858	12871	12881
12891	12902	12914	12926	12957	12970	12981	12993	13003	13015
13141	13155	13172	13577	13588	13608	13630	13638	13660	13680
13724	13737	13745	13786	13798	13813	13822	13832	13842	13856
13871	13886	13896	13907	13934	13940	13954	13965	13974	13987
13997	14005	14019	14032	14041	14051	14062	14078	14088	14097
14122	14135	14145	14155	14167	14176	14191	14199	14209	14220
14232	14246	14255	14268	14278	14292	14298	14309	14391	14403
14438	14449	14458	14469	14485	14493	14504	14515	14527	14562
14575	14600	14608	14621	14631	14646	14655	14664	14679	14688
14710	14718	14731	14743	14756	14766	14776	14789	14803	14812
14823	14839	14853	14862	14874	14883	14897	14905	14918	14926
14950	14961	14971	14982	14992					

On 1st March, 1984, there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S.G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB,

or one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 1st March, 1984 and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$2,400,000 nominal amount of Bonds will remain outstanding after 1st March, 1984.

The following Bonds previously drawn for redemption on the dates stated below, have not as yet been presented for payment:—

1st March, 1983

355	511	703	743	790	814	1148	1602	1662	1799
2252	2659	3314	3897	3908	4156	4182	4189	4260	4446
4768	4795	4849	4897	4917	4949	5120	5412	5721	5947
5994	6365	6516	6781	6859	6982	7770	7939	8082	8324
8340	8892	9039	9368	10125	10473	11391	12299	13083	13157
13174	14222	14602	14613	14736	14932	14951			

1st March, 1982

11	797	1146	1399	3009	3234	3986	3998	4041	4059
4661	4790	4848	5225	6260	6804	6852	7252	8067	12465
12820	13160	14607	14954						

1st March, 1981

368	793	986	1116	1152	4229	4781	4797	4934	6266
6301	6322	6860	7972	9264	11287	14599			

1st March, 1980

991	1366	3241	3310	3985	4245	4793	4933	6232	6854
8479	14936								

1st March, 1979

1494	3307	3826	4903	6857	8475	9667	12297	13873

1st March, 1978

593	4230	4799	9036	9362	12293	14215

N.B. The Bonds drawn 1st March, 1978 become prescribed 1st March, 1984.

30, Gresham Street, London, EC2P 2EB — 31st January, 1984

CASSA PER IL MEZZOGIORNO
U.S.$20,000,000 6% Guaranteed Bonds 1985

S.G. WARBURG & CO. LTD., announce that Bonds for the nominal amount of U.S.$1,200,000 have been drawn for the redemption instalment due 1st March, 1984.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:—

9179 to 9251	9255 to 9291	9296 to 9305	9328 to 9386	9397 to 9425
9495 to 9535	9537 to 9574	9576 to 9616	9625 9626	9639 to 9658
11381 to 11465	11471 to 11495	13900 to 13943	13945	13955 to 13964
13967 to 13982	14011 to 14020	14094 to 14152	14168 to 14189	14191
14212 to 14216	14234 to 14271	14297 14298	14300 to 14340	14368 to 14375
14413 to 14417	14435 to 14438	14461 to 14477	14480	14482 to 14489
14491 to 14496	14508 to 14512	14516 to 14520	14773 to 14795	14797 to 14804
14811 to 14822	14840 to 14843	14847 to 14865	14871 to 15165	15196
15231 to 15240	15260 to 15300	15302	15308 to 15325	

On 1st March, 1984 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof together with accrued interest to said date at the office of:—

S.G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB,

or one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 1st March, 1984, and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$1,100,000 nominal amount of Bonds will remain outstanding after 1st March, 1984.

The following Bonds previously drawn for redemption on the dates stated below, have not as yet been presented for payment:—

1st March, 1983
3089 to 3098

1st March, 1981
685 853

30, Gresham Street, London, EC2P 2EB — 31st January, 1984

PERSONAL

NOTICE TO CHLORIDE SHAREHOLDERS

Shareholders are invited to join an Action Group to make independent assessments of the Company's management policies and to promote the interests of shareholders.
Details from:
Dr M. Gillibrand, 7 Rutland Road, Ellesmere Park, Eccles, Manchester M30 9FA

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UK NEWS

Market fears Bill could harm credit standing of councils

BY ROBIN PAULEY

CONCERN IS growing in the City of London about possible damage to the creditworthiness of local authorities if the Government succeeds with proposals to limit the amount they levy in local property taxes.

Money brokers, through the Sterling Brokers' Association, and the Chartered Institute of Public Finance and Accountancy have both warned the Government that the Rates Bill, unless amended, will undermine confidence, particularly among foreign bankers who do not always understand the intricacies of British local government finance.

English and Welsh authorities had outstanding debt of £37.336bn on March 31 1983, about 36 per cent from the Public Works Loans Board (PWLB) and the same proportion from the market, the rest being internal funds.

The basic security of local authority debt has always rested on the ability of a council to raise as much as it chooses in taxes to ensure that its budget balances and to service all debt on the due date.

The new problem would arise in an authority which had its rate "capped" by the Government but refused to trim its budget, leaving a gap between expenditure and revenue.

At present, a local authority cannot go bankrupt. The PWLB would fulfil the part of lender of last resort if something threw a budget out of line. But under new rules this would not be the case, and the PWLB would not be able to fund revenue in excess of government spending limits.

Canon consolidates UK lead in office copiers

BY RAYMOND SNODDY

CANON, the Japanese office copier manufacturer, has consolidated its lead in the UK market, according to a new survey.

Canon had 21 per cent of the nearly 150,000 unit market last year – 7 per cent ahead of its nearest rival, Rank Xerox, according to the survey carried out by What To Buy For Business. The market share figures are estimates of numbers sold rather than of value.

"In turnover terms, Rank Xerox is up at the front in the UK, largely because of its strength in the very high volume sector", Mr John Derrick, one of the editors of the report, said.

But although the report says the launch of the new 10 Series machines by Rank Xerox in March has helped the company's market share, Mr Derrick was critical. What to Buy carries out its own tests on machines and analyses the experiences of the publishing company's 9,500 subscribers.

What To Buy says that, apart from finding most of the Xerox models overpriced, its test report on one model, the Xerox 1020 "points to glaring inadequacies."

The organisation says that ratings from Xerox users on service were also disappointing

What To Buy For Business, 11 Kings Road, London SW3. Annual subscription £39.50.

Law may tackle hidden fees by money shops

A Government investigation into the activities of bureaux de change in Britain may compel some operators to be more open about their commission rates. Margaret Hughes reports

TREASURY and Department of Trade and Industry officials are to meet shortly to discuss the possibility of introducing new or amended legislation to regulate the activities of bureaux de change.

The meeting will follow a Treasury investigation during the past few months of the trading practices of some bureaux, which have resulted in many complaints from the public to the Treasury, the Office of Fair Trading, the Department of Trade and Industry and the British Tourist Authority.

The complaints have mainly been about the levels of commission (sometimes as high as 9 per cent) charged by some bureaux – particularly for buying currency; the lack of visibility of some charges and where they are displayed in the bureaux; and the misleading way in which charges are represented.

Bureaux de change are operated by all the clearing banks and the main travel agents, including Thomas Cook and American Express. The complaints, however, are directed, not at these, but at some of the many independent bureaux which have appeared since the abolition of exchange controls in the late 1970s.

No licence is now needed to set up a bureau, and since the lifting of exchange controls the Government has no legislative power to regulate the bureaux. In view of the large number of complaints received, however, it is now considering whether new or amended legislation is necessary to deal with the problem.

One possibility is that regulation could be achieved within the Fair Trading Act. This Act, introduced in 1972, is under review and the Bargain Prices Order within the Act covers the misleading advertising of prices.

There are proposals put forward by the reviewing committee to extend the field of activity of this order, which would include bureaux de change. These proposals have been sent to the relevant ministers and they will be discussed at the meeting between the Treasury and the Department of Trade and Industry.

It is understood that the Treasury investigation has largely substantiated the validity of complaints against some bureaux de change.

Many bureaux display exchange rates which compare favourably with those offered by the main clearing banks. A closer examination, however, shows that these are rates for selling foreign currency – not for buying, which is what a foreign visitor usually requires.

Where commissions are displayed outside or in the window of bureaux, they are generally 1 per cent, with an occasional 2 per cent. These, however, are the commissions charged when selling foreign currency, although this is rarely made clear.

Buying rates usually are only displayed inside and even then they are often behind glass counter screens and on side walls. Usually, the buying commission is displayed in small lettering.

The buying commission rate for foreign currency by many independent bureaux is in the 5 to 6 per cent range, and some charge as much as 9 per cent. These rates compare with the commission of about 1 per cent which the clearing banks and Thomas Cook charge for a buying transaction, rising to 2 per cent for bureaux operated on a 24-hour basis such as those at the main ports and airports.

Independent bureaux argue that they have to charge higher commissions than the banks because foreign exchange is their only business and, unlike banks their operations cannot be run as loss leaders. The banks deny this charge.

The bureaux also point out that, unlike the banks, they are often open for much longer hours – in some cases 24-hours, seven days a week.

Critics of the bureaux say that, even if these arguments are accepted they do not explain why some bureaux appear so reluctant to display openly their commission rates. In some cases, in fact, the buying commission is presented as 0.09 pence in the pound sterling, making it difficult for some foreign visitors to calculate that this is a 9 per cent commission.

It is only when some customers have actually made a transaction and counted the sterling received that they realise what the charge has been, since the actual exchange rates quoted for various currencies compare favourably with those of banks and, in some cases, are marginally better.

A customer is likely to receive £98.41 from a bank and £97.94 from Thomas Cook for the equivalent of £100 in foreign currency. From many other bureaux, the return would range from £92.15 to £93.31.

TECHNOLOGY

EDITED BY ALAN CANE

NEWS AGENCY LOOKS TO SPACE COMMUNICATIONS

Reuters eyes the satellite way

BY PETER MARSH

REUTERS. THE fast-growing news agency, is considering an experiment in satellite communications as a way of distributing financial information in Europe.

Spurred by its success with satellite links in the U.S., the company may send information to subscribers in Europe via one of the new generation of space vehicles, the ECS-2 craft that is to enter orbit later this year.

Signals carrying financial and business data would be relayed by the spacecraft to antennas in regional centres in Western Europe.

From here, the signals would travel by telephone lines to subscribers' premises.

The plans are still at an early stage and depend on negotiations between Reuters and national post and telecommunications administrations.

Reuters sends information electronically to about 40,000 terminals on customers' premises in Europe, Asia and North America. Most of this information is sent by high-speed land lines.

But in recent years the company has successfully introduced satellite services to customers in the U.S. Here, the company has set up about 1,000 small "dish" antennas on office roofs.

These aerials, about 70 cm in diameter, receive financial information directly via a geostationary satellite. The service, introduced less than two years ago, cuts out the use of land lines.

Hugh Routledge

With electronic news already well established, Reuters use of satellites could give it a more economic way of transmitting data around Europe.

As a result, Reuters can distribute data more economically, particularly in remote parts of the country.

This application of satellites follows an earlier Reuters service, introduced in 1978, that sends data via an RCA satellite to six regional centres. From these points, the information is channelled to customers' terminals by cable.

Reuters' new "small dish" system has spelt good business for Equatorial Communications, a company in California that leases transponders on satellites and then re-sells them to organisations such as news agencies.

Associated Press and United Press International, as well as Reuters, rent communications hardware from Equatorial Communications in this way.

The Californian company, which started operations only two years ago, handles the flow of data to about 10,000 small antennas for offices throughout the U.S.

Sales have increased from $9.6m in 1982 to an estimated $17m in 1983. Growth has been so rapid that Equatorial Communications wants to launch in 1987 two satellites entirely for its own use.

At present the company has leasing arrangements with Western Union and Hughes Communications, both of which operate their own spacecraft.

Dr Edwin Parker, a director of Equatorial Communications, says he "sees the potential" of small-dish business services in Europe.

But he says the shortage of high-power satellites for Europe may delay such schemes.

WHITECHAPEL WORKSTATION

GLC backs UK computer company

DUE TO be launched in February is a powerful 32-bit computer workstation with a price tag more suited to a machine in the personal computer category, about £5,000.

Whitechapel Computer Works, a hardware manufacturer based in London's East End, is producing the machine. The company, which has been in existence since the end of May last year, owes its birth at least in part to the Greater London Council.

Funding from the Greater London Enterprise Board (GLEB), created by the GLC early last year, enabled the firm to start up. GLEB invested £100,000 and now owns a 30 per cent equity in the company. WCW, however, is now going out for second-round financing to coincide with the launch of the machine.

The company owes its birth, at least in part to the Greater London Council

The workstation is designed to be as powerful as ICL's Perq or Rank Xerox's Star, but has a much lower price tag. Initially it is aimed at the scientific and technical user. It is based on the National Semiconductors' 16032 chip, which gives it full 32-bit arithmetical capability. Integral to the machine is a half-megabyte user RAM, a floppy disc and a 10-megabyte hard disc.

The machine is being referred to as "a personal workstation" and its makers believe it to be the first of a new generation of machines which are priced at the top end of the personal computer bracket but has the capability of a powerful graphics workstation.

GLEB still retains close contact with WCW through Andrew Hartwill, an executive in GLEB's technology division, who is also a non-executive director of WCW. Mr Hartwill said the launch of the new machine "demonstrates our (GLEB's) commitment to fostering new-technology manufacturing in London. Whitechapel have themselves demonstrated precisely the viability of this concept." He added that GLEB hopes not only to have created jobs by funding the concern, but also to continue to learn about the computer marketplace from its sustained contact with the young firm.

WCW employs seven people but it hopes to grow to a workforce numbering 70 by the end of the fiscal year 1985-86.

Crucial tests approach for cable TV

Video & Film

By JOHN CHITTOCK

WHEN ENGINEERS make something possible, if it is really important three other phases will follow. The politicians will find ways of exploiting it, the economists will wrangle with statistics to test its viability, and last of all — if it survives these hurdles — others must move in to make it work commercially. Such has been the continuing saga of cable television in Britain, and only now is that final and crucial commercial stage arriving.

In recent weeks the newly-expanded cable TV industry in the UK has been in a flurry of activity, suddenly faced with making the technology and the programming promises a working reality. For the cable operators, especially the 11 franchised for new installations, the engineering task alone is daunting enough — with cabling, switchgear, head-end equipment and subscriber convertors for TV sets all due to come on stream in the coming months. Rediffusion, even for its existing 53 networks now about to be up-graded, has already placed initial orders for £6m to cover satellite receiving dishes, control desks and a host of other TV equipment.

It is, however, the commercial challenge which now moves to the centre of the stage. Not only do the operators have to instal the service, they also have to sell it to the television viewing public, programme it and also find additional sources of revenue through advertising.

Recognition of this commercial emphasis came last week with Rediffusion's announcement that a recruiting drive is being launched by the group for 1,700 new staff. Although not all of these jobs will be permanent, the significant point is that 1,300 of the total will be "salespersons."

As an executive from Thorn EMI recently said — "everyone involved in the cable business in any way has to be a marketing person." The reasons for this are simple. Some forecasts reckon that for new UK cable operators to return a profit in their guaranteed life span (12 years for some) they must reach a minimum take-up rate of 30 per cent of households in their area — probably even 50 per cent. Cream on the top might be advertising revenue.

There is, however, another one of those transatlantic words creeping into the vocabulary to disturb the cream and worry the commercial people — "churn." This is the turnover in subscribers, the defaulters who fail to remain loyal to the service. In the U.S., some research has claimed churn rates — that is disconnections — between 3.9 per cent to as high as 13 per cent *per month*. Conventional magazine publishers would go into a coma if faced with such figures.

It comes as no surprise, therefore, to find that the current activity in acquiring programmes for the new services is dominated by price sensitivity. Whole programme channels are being signed up by operators at rates generally from 10p to 25p per subscriber per month — and some of these channels will provide as little as three to four hours per day, repeated perhaps two or three times.

It is the commercial challenge which moves to the centre of the stage

It is now that the commercial pricing policies have to be hammered out — setting standards of practice where none existed before. On the premium service channels running feature films, a different strategy is emerging. The operators are generally agreeing to share subscription revenue for these channels with the programme providers on a 50/50 basis — probably pitching the subscriber rate at up to £8 per month (over and above the basic service charge which may range from just under £5 per month upwards, depending on the local service provided).

For the 11 new operators, who will provide many more channels than the four generally available on existing systems, extra services for additional payments will be offered — such as the games channel from W.H. Smith.

Nonetheless, the pressure to keep prices down is such that many channels will look instead to advertisers to boost revenue. Some bought-in channels acquired by operators will come complete with advertisements sold by the channel provider — but allowing scope for local advertisements to be sold by the operator.

Last week's news that the government will not require operators to limit advertising time to the six minutes per hour imposed on ITV may be of little comfort.

Cable operators are still discussing the actual advertisement rates but generally the principles established for broadcast TV will apply, based on audience size.

In the current commercial activity, it is important to emphasise the two kinds of cable TV service involved. With its fondness for enlarging our vocabulary, the industry has designated them "up-graded" and "new-build." The former are existing networks which until now have relayed broadcast TV (and in some cases feature films under the terms of a limited experiment sanctioned by the Home Office). The latter are the new networks which must provide greatly extended services and will not begin to come on stream until 1985.

Up-graded services are starting in some areas any time between now and March. Subscribers who have been receiving broadcast TV via cable will be provided with free aerials and generally have four new channels available on the old cables. Thorn EMI are offering channels devoted to music, feature films, children and teletext/telesoftware. Rediffusion similarly offer music and films, plus the general entertainment Sky Channel from SATV and Screen Sport's Channel.

At this stage, the government's hopes for a boost to the economy, and to technology, are being realised — in an extraordinarily short time. But to ensure that none of this occurs at the expense of the investors, the marketing men must do some hard trail-blazing in the wake of the engineers.

Measurement

Automatic changer

THE PROBES used in coordinate measuring machines made by Carl Zeiss can now be changed automatically, in the fashion of the automatic tool changers used in modern machining centres.

Using the equipment, which is available for retrofitting from Hahn and Kolb, Rugby, the measuring machine becomes able to inspect a mix of different products without manual intervention.

The probe changing device is based on a magnetic coupling in the probe head which allows the head to grip or release a probe under program control. Recalibration after a probe change is said to be unnecessary. The system can handle arrays of probes as well as single devices.

Workpieces are placed in holding devices on the table of the machine which can then inspect them automatically, using data drawn from the controlling computer. The machine could therefore run unattended, say at night when the workforce has gone home. More on 0788 74261.

Medical

Ultrasonic eye-scanner

HARWELL has developed an ultrasonic imaging and recording system for the ultrasonic eye scanner at the Moorfields Eye Hospital.

It displays the ultrasonic images of the eye onto a standard television screen. This is then recorded on a standard videocassette recorder.

Such recordings can then be stored for later analysis, used as a guide during surgery and used as reference for treatment sessions. In addition it can be used as a teaching aid by the hospital.

THE ARTS

London Galleries/William Packer

Face to face with the famous and notorious

Our great collecting institutions forever face the unenviable chore of trying to square the unsquareable. Charged with the public duty of extending and enhancing their particular collections, as policy and chance alike direct, and with funds always so much less than adequate as to be quite unrealistic, they contrive more or less judiciously to squeeze the pint into the quart pot, which by degrees, eventually fills up.

What would we really have them do? Stop collecting altogether, and leave to a thankful posterity finite collections, with gaps impossible to fill, and thus whole fields of continuing humane speculation impossible to serve? Even disperse what we already have, on the convenient but mendacious egalitarian principle that it would thereby be so much more readily accessible? Give it back, abroad, which is the ignorantly mischievous answer to a particular topical question?

As always, the word of authority is: these are difficult times, so shift for yourself the best you can. But no party, even in better times, has ever dared risk votes on art or culture, and implicit promises for the future have a hollow ring. All educated opinion agrees that what is currently proposed would in practice make things very much worse: which brings us to present shifts and stratagems. The National Portrait Gallery, like the Tate, is bound to monitor the immediate quite as much as the remoter past, and like the Imperial War Museum, has to extend its scope beyond what is simply the best of its kind to what is relevant, useful, interesting, informative, apropos. It will naturally wish to acquire whenever possible true works of art, and it does indeed hold many fine and beautiful things, but other material of all kinds that falls within its brief — portrait material relating to any individual who has made a notable contribution to our national life —is their necessary complement: press photographs, snapshots, cartoons, caricatures, amateur efforts.

There has never been a proper display of the 20th century material, a fraction of it in the basement for a while, and more lately in halls and landings here and there. But now that the principal exhibition gallery on the top floor is in use, and the pressure on the other temporary showing spaces eased somewhat, the chance has been taken to reorganise, in which general post the suite of galleries at the top of the entrance stairs has been given over to a permanent though hardly immutable 20th century hang. The display is now up and running, which last word I use advisedly, for a principal feature of the installation is the use of turntables, 13 of them, each carrying four distinct groups of works.

Exhibition design is a new and doubtful discipline, but nothing that it perpetrates, however objectionable, is irreversible. Here the arches and arcades are perhaps a shade overbearing, the alleys a little narrow, some of the pictures skied a bit too high for comfortable viewing, and the moveable feast is disconcerting, to say the least, when the light first goes out and the wheel turns. But we get used to its little ways soon enough, and even forgive it for having no hold button to allow extended consideration, who is to say that the technology will not at last catch up with the idea.

There they all are, the famous, the notorious, the talented and distinguished, in their professional groupings, coteries, categories: athletes, poets, scientists, lawyers, film stars, actors, politicians, painters, soldiers, musicians, dancers, lords and ladies. The Sitwells have an enclave to themselves, and Dame Edith on tape, Face to Face with John Freeman; Ellen Wilkinson strides through Cricklewood with the Jarrow marchers; Stanley Matthews signs his autograph outside the changing room door; Beatrice Webb sits on the doorstep for her photograph by Bernard Shaw. The interest is as broad in scope as it is fascinating in detail, each item well chosen and to the point.

But inevitably, where all are equal as worthy subjects for the collection, some are rather more equal than others as art, and the more substantial works of art command attention by right, whoever the subject: Virginia Woolf a ravishing young woman of 20 in her photograph by George Beresford in 1902; or Vivien Leigh nearly 50 years on and quite as beautiful, by Angus McBean. But the painters have the advantage, those who paint themselves, perhaps, most of all. The Gallery has lately acquired an extremely fine double portrait of Maynard Keynes with his wife, the ballerina, Lydia Lopokova, in 1932, by William Roberts, as strong and unmannered a painting as he would ever make: but even that must give place, in scale and simple effect, to Laura Knight's large portrait of herself at work in the life studio in 1913; or, in poignancy and concentration, to John Minton's rather smaller self-portrait of 1953.

The National Gallery's problems are not quite the same, centring more on the frightening prices commanded by capital pictures than on quantity, and all the pictures in the reserve collection, other than those on loan or under restoration, are hung and may be seen, though the visitor may need to ask for the company of a keeper to do so.

The Capricious View (until March 18, then to Canterbury, Wolverhampton, Lincoln and Exeter), a touring show of only fifteen small 17th and 18th century Dutch and Italian paintings, draws largely on this reserve, offering a bare yet tantalising hint of what uncollated, indeed unlooked-for treats lie sleeping there below. The theme is the fantastical and suggestive townscape, quite imaginary yet so often, as in the romantic antiquarianism of the 18th century, so closely founded in reality: it needs only two Canaletto views of Venice alongside a delightful Panini caprice of figures amongst tumbled Roman masonry, and a fine if only putative Belloto landscape with assorted ruins, to make the point.

It is a modest show, and charming within its limitations, but frustrating, too, for the idea is so good that it could well sustain a major scholarly elaboration. Artists have always made things up for there has never been a rule requiring them to consult direct reality at all, let alone with any conscientious fidelity. And so here we long not only for the contemporaneous caprices of a Poussin or a Claude, or whoever, but an extended comparative jaunt through the pictorial imaginings of the centuries, back to the early Italians, away to India, China and Japan, and on down to the more feverish confections of symbolists, metaphysicals and surrealists.

John Minton, Self-Portrait 1953, and Dame Laura Knight, Self-Portrait 1913, both from the New Twentieth Century Display at the National Portrait Gallery

Margaret Price/Covent Garden

David Murray

Miss Price appeared on Sunday in the Celebrity Concert series with the programme of an international gladiatrix: mostly big songs, nothing experimental or out-of-the-way (unless you count Mozart's "Little German Cantata," which I think has been a Price party-piece for a long time)—simply a generous selection of the *Lieder* most sung by top singers these days. She was in superb form. The front-stage platform at the Royal Opera didn't enhance the bloom of her full, rich soprano, but perfect control and expressive vitality made their effect anyway. Even her penchant for singing from the score didn't get in the way.

After Mozart's Masonic hymn to brotherhood, delivered with sustained fervour, Miss Price gave us Brahms, Strauss and Mahler. Contrary to expectation, perhaps, her Brahms wasn't at all a matter of chilly poise: there was cheerful Brahms and robust Brahms, affectionately rendered, and at the end of the group two songs of feeling—"Mädchenlied" and "Der Tod, das ist die kühle Nacht"—which she made exquisitely poignant. She did exact justice throughout to Brahms' formal song-shapes, regularly taking her interpretative point of departure from them (which bespoke the thoughtful Brahmsian) and not simply from the sentiments in the words.

Her Strauss and Mahler were just as rewarding. The piano sounded dry: partly the hall, partly the instrument, partly the pianist—but James Lockhart was always acutely sympathetic with his singer, even if he supplied little in the way of romantic sound-cushions. Of Strauss, "Du meines Herzens Krönelein" was melting and unabashed, "Morgen" wonderfully intense. Miss Price's Mahler consisted of the five late Rückert *Lieder* (omitting the military vignettes), all of them glowing: perhaps the "Linden Duft" song ended irresolutely, not quite rounded off, but "Um Mitternacht"—very difficult to bring off without its dark orchestral support—was a *tour de force*. The Celebrity Concerts are rarely so polished and satisfying.

Music of the Andes/Shaw

Andrew Clements

The excellent World Arts Season presented by Arts Worldwide and the Borough of Camden continued on Sunday at the Shaw Theatre with a visit by the Sulca family from Ayacucho, Peru. They played violins, mandolin and Andean harp in a programme of music characteristic of the highlands of Peru, with its origins in the culture of the Incas and their Quechua-speaking descendants. Both instruments and music are a fascinating mix of native and imported elements. The splendid Andean harp itself, played here by Antonio Sulca, seems to have evolved from the Celtic instrument brought over by Irish Jesuits; in Quechua hands, however, it was developed extensively, its sound box greatly enlarged to give a resonant bass and sharp-toned treble, and prompting the highly mobile bass lines typical of the music.

In the musical forms also European elements have been freely incorporated: strange to hear pentatonic melodies given unashamed diatonic cadences, to find violin figuration from the baroque and classical periods transposed as accompaniments to Andean dance tunes, to discover lopsided waltzes and foxtrots given a totally new (to British ears) flavour. Sr Sulca began the evening with a series of harp solos, demonstrating the capabilities of the harp and the basic feel of its music; when he was joined by three of his sons, the music became simpler, its harmonic and metrical structure more straightforward, the violins generally moving in rhythmic unison. Andean music seems to have been positively enriched by the acculturation of the 20th century; the freshness and innocence has been preserved.

Keeping the theatre alive in the North West

Martin Hoyle reports on two new openings in the north west which show the theatre defiant in the face of financial cutbacks

Any play that starts as it means to go on, with an exposition of the Special Theory of Relativity delivered by its formulator with the help of red-nosed clowns, deserves awed admiration. Seriousness of purpose almost redeems the subsequent impression of an apocryphal Einstein theory: Brecht plus Schools Broadcast didacticism over three hours equals boredom.

Act I of Norman Leach's The Life of Einstein (The Duke's Playhouse, Lancaster) is a crash course in the physicist's early theories and unrecognised genius; Act II expands the political background of the interwar years. The last act—and a long evening is not quickened by false endings with such film-projected chapter headings as "Deathbed," "Epilogue" and "Einstein's Last Words" — focuses on the scientist's attitudes to atomic power and the Cold War.

Throughout, the cast of six retire to onstage changing-room benches, ringing variations on their basic costume of white shirt and dark trousers to assume an epic range of parts. The exception is Janice Jarvis's Rosa Luxembourg whose presence haunts Einstein like a conscience, comforting, arguing and exhorting.

Despite emphasis on the great man's desire to "learn something of humanity, that other mystery," he remains less alive than his background or his achievements. No back-handed compliment intended, but Paul Bradley's Einstein is strongest when silent. When not pontificating (rarely) he passes with honour the good actor's acid test of knowing how to listen convincingly.

Apart from chunks of neat theory, we are treated to politicians in carnival heads conversing in doggerel ("It's those Sparticists I hate/I like my socialism moderate.") By the last act the rhymes, witless beyond the call of satire, merely grate. Infinitely more shocking are historical facts reported straight: a Nazi professor's anti-semitic speech, familiar but eternally horrifying, reminders of Hiroshima.

Fascinating sidelights on the McCarthy era include the often overlooked bellicosity of Bertrand Russell's impassioned anti-Soviet stance in 1948 ("even at such a price war would be worthwhile") and Ginger Roger's mother objecting to her daughter's utterance of such Communist-inspired screen dialogue as "Share and share alike—that's democracy."

Einstein's political naivety is illustrated by his listing of America's faults — indoctrination, arming and aiding allies—without realising they apply to the Soviet bloc. Equally, the benefits extolled in the Russian system could be those of Nazi Germany. Unaware that it takes two to sustain the near-lethal tango of even cold war, this Einstein gives no clue as to how he could have converted Russell so radically. And if the ghost of Rosa Luxemburg, frozen in the attitudes of 1919, is all the author can conjure up to represent either human interest or a valid alterative ideology, he is either cheating or no more convinced than we are.

All praise to the integrity of Lancashire's only repertory theatre in dealing with the man who "undermined our universe." This clubby art centre's future is in financial jeopardy, even provoking a flurry of Press coverage in its catchment area of Morecambe whose correspondents sometimes recall the tone if not the language of *Brass*. Much depends on Lancaster's Tourist Committee, a body that wears its responsibilities lightly; as lightly—to judge from the "closed" signs that greet the hapless winter visitor—as the Emperor's new clothes. I refer them to a letter in the local paper that asserts the town without the Duke's would be "a boring dead place"; and rest my case.

*

Few Prosperos acknowledge the final curtain of *The Tempest* with a standing back-somersault; or deliver lines flat on their back, legs in the air, with Ariel perched on their feet. Glen Walford's production for the Everyman, Liverpool, sees the magic island as a circus ring peopled by clowns and acrobats. Within limitations this streamlined version works well enough to evoke occasional rough magic.

On the central podium the striking-looking black ring-master cracks his whip like something out of *Lulu*. The company enters as a parade of clowns. On trundles the grey-skinned Ariel in a giant hamster's wheel; the young lovers are suspended in a skeletal crescent moon high above the action. Actors awaiting their cues sit round the ring adding to the isle's noises by humming or playing instruments.

Textual cuts can be condoned, given the Everyman's predominantly young audience and, less pardonably, the unevenness of delivery that extends to a Ferdinand more expressively on clarinet than vocals. Purely verbal irony is skated over and too often the verse is simply blank: a feeling for the rhythm would have precluded Caliban's insertion of an extra word into his "sweet airs" speech. Significantly, Stuart Organ, with RSC experience, contributes a clearly-spoken and therefore intelligent old Gonzalo.

Ricco Ross, from TV's *Hill Street Blues*, is a vigorous young Prospero whose writhing before the conspirators' plot suggests the inner torment of long self-exorcism come to fruition. When happier with his clipped patrician English, he may deepen this sombre interpretation, an unusually serious ring-master not above sinking to the level of an anguished Caliban. The latter makes one effective entrance, hunched and groping through the green floor-cloth like some primal force belched up by the earth, and with "You taught me language—my profit on it is I know how to curse" Carl Chase touches on tricked anger at paradise glimpsed. Thereafter Ms Walford confines the most complex and tragic character of the play to lumbering clownishness.

The comics themselves are distinguished by Bob Hewis's crisp and unexaggerated Stephano, in baggy checked trousers and outsize frock coat, as nifty on the saxophone as Matthew Devitt's Trinculo is on trombone.

Burt Caesar attacks a vivid Sebastian with the relish that would invigorate any Jacobean machiavel; and neither over-careful elocution nor featured tutu can disguise the forthright strength of Cathy Tyson's dusky Miranda, perhaps more suited to modern naturalism. Paddy Cunneen's music, both perky and haunting (Prospero's singing of "Full fathom five" is particularly successful) deserves mention, as do—a sign of the times—Phil Lancaster and Derek Owen, "Aerobatics Consultants."

The Man of Mode/Richmond

B. A. Young

The Orange Tree shows its usual courage in playing a Restoration comedy on a stage like a postage stamp, with one single item of scenery that is a lady's dressing-table one way up and a hiding-place for a parson another way up.

Etherege's comedy, in this production under Sam Walters, has lost some of its fire, and seems to rely just on the simple comedy of the plot, which is like a game of draughts, where one piece is brought up against another and either takes it or is taken. The satire has leaked away. After Tom Georgeson as Dorimant and Christina Greatrex as Mrs Loveit have played their last scene together it seems natural, almost honest, that he should marry the innocent country girl Harriet, though any Regency rake could tell you that he'd be back in the Mall within a fortnight.

I think Mr Georgeson is too severe, too much weighed down by his life of sexual deceit. I'd have liked a sign of the beau who had every woman at his feet, who punctuates his lines with quotations from the poet Waller (Mr Georgeson makes them sound like ecclesiastical texts)—possibly even a hint of a wig when he promises Harriet that "this day my soul has quite given up her liberty."

The young ladies pleased me better—Miss Greatex masking volatile charm under a thin veil of toughness; Bellinda, who Liz Crowther makes the acme of innocence, all the more pathetic when we realise that she is likely to follow Loveit on the game; Joan Moon's round-faced Emilia, concerned as much to avoid the attentions of Old Bellair (Paddy Ward) as to attract those of his good-looking son (Richard Grant). The oldies, well played enough, suffer from Etherege's decision that they need only be stereotypes, and also from the Orange Tree's decision to dress everyone in "rehearsal costumes."

Everyone, that is, but the Man of Mode himself. Sir Fopling Flutter is distinguished from the mere Londoners in their St Michael's track suits by a complete Parisian strip of cloth-of-gold. David Timson looks, and indeed plays, like Russell Grant on breakfast television. What he never suggests is that these new Paris fashions were supposed to be chic. Unless we believe in Etherege's cartoon of the manners of the age, we can't join in the satire.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Opera and Ballet

January 27-February 2

LONDON

Royal Opera, Covent Garden: The Revival of Wozzeck is cast at strength – Jose van Dam, Anja Silja, James King, Donald McIntyre – and conducted by Christoph von Dohnanyi with power and eloquence. La Boheme returns with the Hungarian soprano Ilona Tokody (Royal Opera debut), José Carreras, and Thomas Allen, and the highly gifted American conductor John Mauceri in charge (240 1066)

English National Opera, Coliseum: A most gripping and beautifully sung Turn of the Screw, with particularly distinguished contributions from Jill Gomez and Philip Langridge, alternates in repertory with La Traviata, in which Nelly Miricioiu introduces to London her fragrant, vocally lustrous heroine (836 3161)

Sadler's Wells Theatre: The New Sadler's Wells Opera continues its latest season with a new production of Flotow's Martha and a revival of last season's Countess Maritza (278 8916)

Royal Opera House, Covent Garden: The Royal Ballet in La Fille mal Gardée (Tue)

PARIS

Die Entführung aus dem Serail conducted by James Conlon, produced by Giorgio Strehler, decor and costumes by Luciano Damioni, co-produced with La Scala, Milan. Michael Heltau as Pacha Selim and Catherine Malfitano as Constance. It alternates with the three-act ballet Le Fantôme de l'Opera, conducted by Marcel Landowski/Claude Schnitzler, choreography by Roland Petit, music by Marcel Landowski. Decor by Giulio Coltellacci at the Paris Opera (742 5750)

Khovanstchina, conducted by Woldemar Nelsson, produced by Pier Luigi Pizzi, choir conducted by James Johnson, Orchestre Colonne in the Grand Théâtre de Genève production with Maia Plissetskaia's participation. TMP-Châtelet (233 4444)

Ariadone's Utt, with Carlotta Ikeda as soloist, choreography by Ko Murobush. An exclusively feminine ensemble in a brilliant demonstration of the Butoh Dance is followed by a rejuvenated Pilobolus Dance Theatre at the Theatre de Paris (280 0930)

Wroclaw's Pantomine Theatre in King Arthur's Legend bridges medaeval and modern times at the Theatre de la Ville (274 2277)

Le Roi Malgre Lui – a 3-act Opera-Comique, with Charles Dutoit conducting Le Nouvel Orchestre Philharmonic. Barbara Hendricks, Christiane Eda-Pierre and Gino Guilico in the title roles (Thur). Theatre des Champs Elysees (783 4777)

NEW YORK

Metropolitan Opera (Opera House): The first performance of Stravinsky, conducted by James Levine with sets by David Hockney, accompanies a week's performances of Rinaldo conducted by Mario Bernardi and starring Marilyn Horne, La Traviata with Kiri Te Kanawa, and Peter Hall's production of Macbeth, premiered last season with Renata Scotto as Lady Macbeth and Sherrill Milnes as Macbeth. Lincoln Center (580 9830)

New York City Ballet (New York State Theatre): The company's season of mixed repertory includes performances this week of Western Symphony, Afternoon of a Faun, and Concertino. Lincoln Center (870 5570)

WEST GERMANY

Berlin, Deutsche Oper: To mark the 100th anniversary of Wagner's death, a world premiere of 'Riccardo W' is offered this month. It is choreographed by Valery Panov, danced to music by Richard Wagner, Giacomo Meyerbeer, Felix Mendelssohn-Bartholdy and Hector Berlioz. Soloists are Eva Evdokimova and Thomas von Cauwenbergh. (Fri). Der Nussknacker, choreographed and danced by Rudolf Nureyev. His partner is Eva Evdokimova (Mon)

Peter O'Hagan/Purcell Room

Andrew Clements

To his enterprising and nicely contrasted programme in the Purcell Room on Wednesday Mr O'Hagan proved a generally solid if unexciting guide. Boulez's piano music has by no means yet become a regular feature in recitals, and his third sonata is the rarest visitor of all. Yet Mr O'Hagan made it the main work in his first half, or rather those two *formants* of it, "Trope" and "Constellation miroir," that the composer permits to be performed.

It remains a challenging proposition for any pianist, technically and intellectually. Mr O'Hagan was only partially equal to it, for while he gave a good enough account of the bones of the sonata, he did not convey anything of its real character or give any reason why he should have (quite justifiably) included an extract from Mallarmé's "Un coup de dès" control told most of all; the clusters of scintillations that decorate the main paragraphs of "Constellation-miroir" glinted in his programme note. The fluidity, the quicksilver changes of mood and colour that aleatoricism introduces were all missing. A lack of textural only dully, while the haloes of harmonics were lifeless.

Monochrome pointing and stodgy rhythms also deprived Bartok's Suite *Out of Doors* of vital interest. There was a genuine sense of rubato in the "Barcarolle" and "The Night's Music" but the latter was generally handled roughly, without any sensitivity to atmosphere. In two of Liszt's Transcendental Studies and Schumann's *Carnaval* purely technical deficiencies were more apparent, stumbled passage-work that no amount of honest endeavour could hope to hide.

Saleroom

Antony Thorncroft

Eleven Impressionist and Post-Impressionist paintings from the estate of Erna Wolf Dreyfuss and Julius Wolf are to be sold at Sothebys in New York on May 15. The saleroom is expecting the collection to make in excess of $12m.

Works by Gauguin, Van Gogh and Degas are included, as well as four by Renoir, and paintings by Manet, Monet and Toulouse-Lautrec.

The attraction of the auction is that the collection was assembled around 50 years ago and the paintings will be fresh on the market. Given the current strength of demand for Impressionists, the prices could be much higher than Sotheby's estimate.

THE MANAGEMENT PAGE : Small Business

EDITED BY CHRISTOPHER LORENZ

NatWest's 'flying doctor' service

LIKE IT or not, UK banks have been forced to rush to the rescue of hard-pressed company clients during recent, tough years. Most have set up fee-charging business advisory services or intensive care units.

NatWest, the UK's second largest bank, by contrast, has set up a free flying doctor service: teams of bankers and accountants who call on troubled clients and try to help them get a grip on their problems.

"We find there's a crying need for the kind of help bankers and accountants can give," says John Melbourne, asistant general manager of the domestic banking division.

In the three years since it was started, the service, which goes by the bland name of the industrial unit, has grown to seven teams each consisting of a NatWest banker and an accountant on secondment from an accounting firm. Six of the teams are based in London, one in Manchester.

When cheques start bouncing or a client shows other signs of stress, a team visits the firm, spending three or four days sorting through the books and putting together a picture of the business. It then goes away and prepares a report with recommendations.

"We can get a lot more detail than the branch manager can," says Tony Hennessey-Brown, the manager of the unit. "People see us as independent investigators."

Invariably, the problem turns out to be poor financial controls, and the NatWest men try to advise on how they can be tightened up. But in one case they turned up evidence of large-scale pilfering that the manager was not aware of, even though he was bothered by constant budget overruns.

NatWest's interest in providing the service is to protect its loans. But it also hopes to improve client relationships by doing something that is beyond the scope of the branch manager.

A typical client for the service has a turnover of between £1 and £15m and several million pounds of debt. At the moment Natwest is getting about 140 cases a year, and its "response time" to a call—which usually comes from a branch manager—is four to eight weeks.

When the job is done, the service "fades into the background" says Henessey Brown. But about 20 per cent of the clients do not make it through the first time and want the flying doctors back. If the case is hopeless, of course, a more drastic solution may be required which is beyond the unit's scope.

Not all the clients are necessarily in deep trouble. Some may just be growing too fast and are in need of a bit of financial education, but they are in the minority.

NatWest started the service, Melbourn says, partly because it was worried that fee-charging advisory services posed conflict of interest problems. Could NatWest be both a disinterested adviser and a lender? And one problem was to get the flying doctor service accepted within NatWest itself. But branch managers who might have resented its special role now seem to recognise its usefulness.

David Lascelles

In brief...

THOSE running courses up and down the country may be interested in "That Giant Step" — a video about small business start-ups made by John Thompson of Huddersfield Polytechnic's Department of Management and Administrative Studies. It features seven quite different small businesses — ranging from a self-employed potter to the "organisation" entrepreneur —and deals with the problems faced, and advice and assistance available to overcome them. The video, which is not a teaching programme, can be obtained from John Thompson at the Polytechnic, Queensgate, Huddersfield HD1 3DH. Tel.: 0484 22288.

FOR those with an interest in private companies or any company owner wishing to know the financial position of his competitors, Jordans has just published its latest edition of "Britain's Top Private Companies—the third and fourth thousand." It complements Jordan's "Top 2,000" and covers those companies with a turnover of between £1m and £4.7m—giving details of sales, net tangible assets, profits or losses and a range of other useful financial information. The cost is £46, from Jordan & Sons, Jordan House, Brunswick Place, London N1 6EE.

Tim Dickson highlights the importance of exporting and looks at schemes to support overseas sales

Tenacity is a necessity

"EXPORT OR DIE" is a stark enough choice. But a former sales director of Stockport-based Thermatic Engineering Services can claim that five years ago he almost managed to do both.

Following up a lucrative Eastern bloc contract for which the company had been short-listed, the unfortunate executive was forced to pack his bags when two plain-clothes militia men—evidently mistaking him for an imperialist spy—worked him over in the swing door of an East German hotel.

That, according to the present finance director, Iain Croft, was Thermatic's first attempt to break into overseas markets. And in the circumstances no one could have blamed the company if it had been the last.

In recent months, however, Thermatic has enjoyed considerably more good luck and, against all the odds, is now in the happy position of completing a £1.6m contract to equip seven Saudi Arabian chiropody and sun-stroke centres with fire prevention equipment and air-conditioners. (The hospitals —four at Mecca and three at Medina—are being built specially for the tens of thousands of pilgrims who flock to these cities each year.)

Besides gamely overcoming many of the obstacles facing first-time exporters—and learning some invaluable lessons on the way—Thermatic has shown that tackling an overseas market is one way, albeit highly risky, of combatting recession at home. (The company is primarily a design heating engineer, and sub-contracts all manufacturing.)

It was Thermatic's sister company, Fireproof Sprinkler Systems, in fact, which ran into difficulties in the UK during 1981 and 1982. Most of its orders came from business customers carrying out instructions from their insurers to put in sprinkler systems—but when some aggressive American insurance groups entered the British market and waived this requirement turnover at FSS suddenly fell away.

In an effort to replace these sales Thermatic got itself onto the British Overseas Trade Board's "Export Intelligence Scheme," which supplies subscribers with details of overseas inquiries for products and services and calls for tender at 35p per item. As a result of a lead from this source, David Gough, an FSS salesman, travelled out to Saudi in October 1982 and, following some tough and protracted negotiations, won a £½m order for fire protection equipment for the hospitals from a local contractor, Alawi Tunsi. In December, Thermatic successfully bid for the air conditioning and chilled water systems as well, bringing the total value of the deal to £1.6m.

David Gough (left) and Iain Croft: tough and protracted negotiations

Considering the company's turnover was then a "mere" £1m in the UK—and the contract was due for completion in 14 months—those involved faced a major operational and financial challenge.

Most bizarrely perhaps, nobody at Thermatic will ever be albe to see the fruits of their Saudi labours for only Moslems are allowed inside the City limits of Mecca and Medina. Sensibly the company overcame this problem by sub-contracting assembly and engineering work to a Turkish firm—which has fortunately proved reliable —but runners are nevertheless required to convey messages from the designers hovering at the City gates to those responsible for carrying out instructions on site.

The biggest challenge was undoubtedly how to finance such a huge "one-off" contract, insure against the foreign exchange risk, and ensure payment from the other end. "It was gross over-trading," admits Croft with a grin, though he adds that overseas contracts of this nature have got to be big to be worthwhile.

Since the Saudis had agreed to pay in United States dollars, Thermatic decided that it was vital to negotiate forward exchange cover when its own costs were calculated at a rate of $1.53 to the £. After weeks of negotiations with its bankers, however, the company got a major shock when its bank explained that it required almost 20 per cent of the value of the contract (£300,000) to be offered as security (either through an unused borrowing facility or as cash on deposit).

While investigating the possibility of using the LIFFE market, Thermatic fortunately ran into the commodity brokers, E. F. Hutton, which agreed to a much cheaper deal than National Westminster and required "equity" of only 2 to 3 per cent of the contract.

The company did use NatWest to confirm a guaranteed letter of credit but, as Croft readily concedes, betrayed its inexperience by "doubling up" with cover from the Government's Exchange Credits Guarantee Department. "All we were in effect getting for a 0.58 per cent premium was guarantee against civil war in Saudi Arabia, war between Britain and Saudi Arabia and NatWest going bust. Next time we'll know better."

Financing the deal, meanwhile, was not helped by the voluntary liquidation of Fireproof Sprinkler Systems last February. As a result of the cross debentures and cross guarantees Thermatic's overdraft was withdrawn and the company's credit management skills were consequently put to the test. Agreements were reached for U.S. equipment suppliers to be paid in dollars on the same payment terms as Thermatic was receiving, while payment terms were pushed to the absolute extreme with other suppliers.

"Fortunately the domestic side of the business had a very good year and by its nature generates cash. But we still had to pay suppliers for £150,000 before we got our money and in October £1m went in and out over two days at the end of which we were £6,000 to the good. It all got a bit hairy."

Discussing his experiences in negotiating the contract, David Gough stresses the difference between selling in the UK and selling in the Middle East.

"The thing about the Saudis is that they don't seem to accept what you say on price. If you stand your ground they respect you but I was staggered how some of the big companies quoting for other parts of the contract were lopping vast amounts off their quotation. The same goes for the terms and conditions—we simply were not prepared to accept some of them but when they realised that they had pushed us as far as we would go they backed down."

Thermatic is now bidding for an even bigger Middle East contract while Gough, who bought parts of FSS from the liquidator with a couple of colleagues and is now on his own, is also increasingly active in export markets.

Gough, however, cautions: "If small companies think exporting is a panacea for all their problems, forget it. We were very very lucky. Other people have spent a year or 18 months bidding for overseas contracts and got nowhere."

A helping hand

"IT'S NO good sitting back hoping someone will turn up at your factory," says Gisella Burg about would-be British exporters. "Like our overseas competitors we've got to visit other countries, display our products at exhibitions and make as many overseas contacts as we can."

Burg should know. Over tho past 15 years this former The Times Veuve-Clicquot Businesswoman of the Year has built up the London-based Expotus into a successful export marketing company for professional audio equipment manufacturers.

But while her energy and personality have played a vital part in the achievement, Burg is the first to pay credit for the help provided by the Government's British Overseas Trade Board, on which she sits as one of the private sector's small firm representatives. "Eighty-two per cent of the BOTB's clients have less than 200 employees," she explains, "and many of the services are tailored for the smaller business. They are aimed very much at the many companies which have a good, exportable idea but which lack the necessary financial resources or management skills."

Admiration for the BOTB—which operates through seven regional offices in England, and the Scottish, Welsh and Northern Ireland Offices in those parts of the UK—seems to be pretty widespread but its problem in recent years has been finding suitable exporters to support. An advertising campaign and a series of conferences were launched last year but Board members are aware that more needs to be done. They hope that fresh ideas will emerge from an overall review of BOTB services for small businesses currently being conducted by Burg and Board colleague, Roy George, chairman and managing director of Celluware, based in Consett, County Durham.

BOTB activities fall into three categories — financial assistance, specific information and advice—and are detailed in a newly updated booklet available from the regional offices or its London headquarters.*

The Market Prospects Service, for example, is used by companies sizing up an overseas opportunity. Carried out by the Commercial Department of the relevant embassy, it consists of a report on market conditions and established competitors, plus an analysis of the specific prospects for the product and potential exporter. The £150 fee (which includes VAT) can be refunded as a contribution towards travel costs if an encouraging report stimulates an overseas visit by the BOTB's customer.

Funds, meanwhile, are available to finance between one third and one half of the costs of export marketing research (carried out by a management consultant or groups of firms) while the **Export Representative Service** will help find a suitable agent, distributor or importer and the **Overseas Status Report Service** offers assessments of these representatives.

A much neglected service is **Technical Help to Exporters**, under which detailed information on foreign regulations and standards can be provided. Smaller firms can get up to £100 of help free and, as a BOTB spokesman points out, can be used to avoid elementary mistakes. "We had a firm recently that shipped toasters to the Middle East but on arrival they blew up because the voltage was wrong."

Exporters visiting overseas markets as part of approved outward missions can get contributions towards their costs while financial assistance is offered to companies wishing to bring overseas businessmen into the UK.

Subsidised space is provided at overseas trade fairs and, under the **joint venture scheme** groups of companies in an industry can stage a special exhibition overseas of their products.

The Export Intelligence Service used by Thermatic (see other article) has initiated £1bn of British exports.

The Market Entry Guarantee Scheme is aimed specifically at small and medium sized firms breaking into overseas markets for the first time or launching a new export initiative. The BOTB will advance between £20,000 and £150,000 to finance half the cost of overheads such as setting up an overseas office, hiring staff, travel expenses and sales and promotional material. In return it makes a 3 per cent flat rate charge plus a levy on sales—calculated to give the Board its money back plus interest. If the venture flops, the Board funds any shortfall in repayment.

**BOTB Services Booklet. BOTB Publicity Unit, 1, Victoria Street, London SW1H 0ET. Free.*

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COMPANY NOTICES

NOTICE OF REDEMPTION
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8¼% 1971-1986 US$15,000,000

Holders of the above mentioned loan are hereby informed that the annual instalment of US$1,500,000 due 15th February, 1984 has been partially effected by repurchase in the market of an aggregate amount of US$196,000 and partially effected by repurchase in the market of an aggregate amount of US$196,000 and partially by drawing by lot of the remaining US$1,304,000.
The bonds drawn by lot are those still outstanding and positioned between the numbers 3388 and 6053, these two numbers inclusive. These bonds will be redeemable at par on and after 15th February, 1984 with all unmatured coupons attached thereto.
The principal amount of bonds outstanding after the amortisation of 15th February, 1984 will be US$3,000,000.
Numbers previously drawn by lot and not yet presented for payment: 675-676; 803-809; 1089; 12544-12548; 13215; 13285-13288; 13464-13465; 13498-13500.

BANQUE INTERNATIONALE A LUXEMBOURG SOCIETE ANONYME
Trustee

Luxembourg
31st January, 1984

SOCIETE GENERALE DE BANQUE $US 20 MILLION FLOATING RATE NOTES DUE IN 1989/1991

For six months January 18,84 to July 17,84 the notes will carry an interest rate of 10,25 % per annum.
The interest due on July 18,84 against coupon number 10 will be $US 51,82 and has been computed on the actual number of days elapsed (182) divided by 360.

The principal paying agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
LUXEMBOURG BRANCH

MANUFACTURE FRANCAISE DES PNEUMATIQUES MICHELIN
9.25% 1976/1986
US$75,000,000

The US$2,500,000 redemption instalment due March 15 1984 has been met by purchases in the Stock Exchange.
Outstanding amount after March 15 1984: US$55,000,000.

The Paying Agent
BANQUE PARIBAS (LUXEMBOURG) S.A.

SOCIETE GENERALE $US 50 MILLION FLOATING RATE NOTES DUE IN 1991

For three months, 18 January 1984 to 17 April 1984 the notes will carry an interest rate of 10 % per annum.
The interest due on 18 April 1984 against coupon number 19 will be $US 25,28 and has been computed on the actual number of days elapsed (91) divided by 360.

The principal paying agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
LUXEMBOURG BRANCH

MAKITA ELECTRIC WORKS, LTD.
(CDRs)

The Board of Directors of Makita Electric Works, Ltd. has announced that shareholders, who will be registered in the books of the Company on February 20th, 1984 (Tokyo time) will be entitled to receive a 10% gratis distribution of new shares. Consequently the undersigned designated div. cp. no. 31 of the CDRs will be used for this purpose.
In Japan the shares are traded ex-bonus as from February 16th, 1984.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam,
January 25th, 1984.

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US$20,000,000
8.5% 12-YEAR BONDS OF 1978 DUE 1st MARCH 1990

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HIGHWAYS & TRANSPORTATION DEPARTMENT
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(2) Highway Civil Engineering Works of value up to but not including £550,000.
(3) Specialist Contract Works of value up to and including £100,000, under the separate headings:
(a) Piling.
(b) The supply and erection of metal parapet guardrails.
(c) The supply and erection of precast concrete items.
(d) Topographical surveys.

Applicants will be expected to furnish with their application: Company Registration; compliance with Finance (No. 2) Act 1975; past three years' balance sheets/accounts; qualification/experience of staff; list of past jobs; policy statements with regard to utilisation of Sub-Contractors Act; managerial/technical and financial referees; statement as to which list(s) is being applied for.
Unwillingness or failure to supply the information requested may preclude consideration of application.
Firms already on the following existing lists need not apply as they will be contacted direct:
(1) Category 1.
(2) Category 2.
(3) Category 3.
(4) Small Works List.
(5) Term Contract List.

Applications and accompanying details should be submitted in writing to the following address no later than 17th February 1984;
The County Surveyor, Kent County Council
Highways & Transportation Department
Springfield, Maidstone, Kent ME14 2LQ.
Further information may be obtained from Mr. P. Giles, telephone Maidstone 671411 Ext. 3896.

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COMMERCIAL BIOTECHNOLOGY

Where the U.S. sees the threat to its lead

By David Fishlock, Science Editor

THE U.S. has mounted a massive commercial effort to exploit biotechnology, an advanced technology which promises answers to some of the world's most pressing problems, such as disease, malnutrition, pollution and low-cost fuel. Yet it fears that Japan will repeat its success in consumer electronics and overtake the present clear U.S. lead.

Other countries are not considered to be in the running. Britain is thought to lack the "dynamism" necessary to get the best from such a broad-based technology. West Germany has problems in getting its academics behind biotechnology. France lacks the academic base needed.

This, in a nutshell, is the picture which emerges from a 600-page study* of commercial biotechnology, commissioned by the U.S. Congress from its Office of Technology Assessment and presented to Congress last week. It analyses the reasons why the U.S. leads today, and the chances of the U.S. retaining the lead.

The hurdles that innovations must surmount

Its focus is what it calls "new biotechnology", for much biotechnology like the making of bread, beer and wine has ancient origins. New biotechnology aims to use scientific discoveries, techniques and inventions of the 1970s and since, such as the techniques of "genetic engineering."

Traditional winemaking is old biotechnology. But winemaking with a genetically modified yeast that allowed the wine to have, say, a higher alcohol content would be new biotechnology. It means building into the yeast a resistance to alcohol, which normally kills it at about 12-14 per cent.

Last year, U.S. investors in the private sector put $1bn in small groups of scientists who had bright ideas for using genetic engineering to gain greater control over some such biological system. For example, they might propose to induce it to mass-produce pure interferon or insulin, or to give plants more resistance to frost or pests.

The report says availability of venture capital to start such new biotechnology firms (NBFs), plus tax incentives provided by the Government, are very important to the development of biotechnology in the U.S. Of a total of 219 U.S. companies keenly interested in new biotechnology, it identifies over 100 NBFs started in the U.S. since 1976, many of which have already obtained second- and third-round financing. Between March and July last year, 23 of the NBFs raised about $450m.

Partnerships for biotechnology research and development are expected to increase from $500m last year to $1.5bn this year. Corporate equity—although now diminishing—has also been important to the U.S. NBFs, providing over $350m up to last August.

Outside the U.S., the environment is much less congenial for NBFs and few exist, it says. Venture capital has played "a very minor role in the commercialisation of biotechnology because these countries do not have tax provisions that promote the formation of venture capital and investment in high-risk ventures."

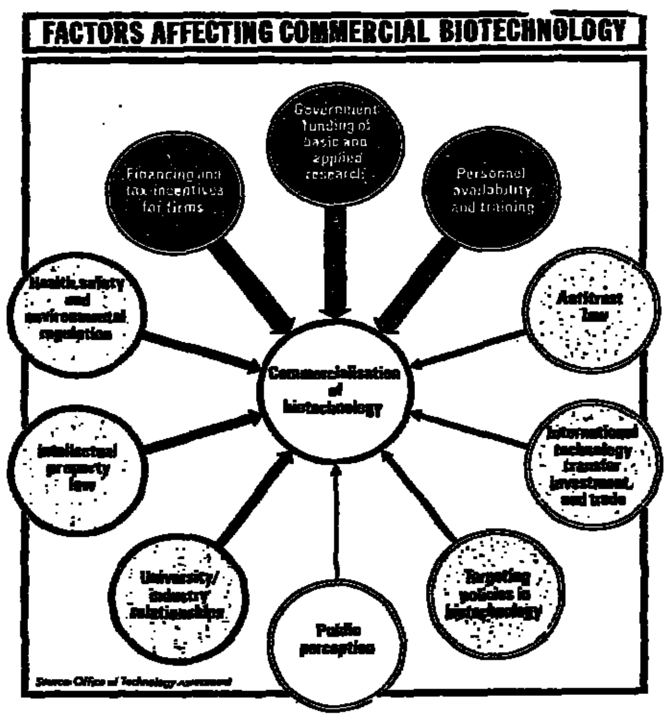
The U.S. researchers are left with no illusions that new biotechnology is anything but a high-risk venture. Self-financing for NBFs may still be five to 10 years away, they say, such are the hurdles their innovations must surmount. This is especially true for pharmaceuticals, which 62 per cent of the 219 companies are pursing. They say it could take $50-$100m to bring each new drug to the market.

Finance and tax incentives for firms are singled out as one of the most important of 10 factors affecting the commercialisation of biotechnology (see diagram). Other dominant factors are government funding of the research base—generous in the U.S.—and the supply of trained people.

Japan: Outside the U.S., the researchers found relatively little interest in NBFs, and biotechnology almost exclusively to be the preserve of established companies. Japan, they say, considers "biotechnology to be the last major technological revolution of this century." It is being commercialised there by a wide range of industries, many of which already have experience of older biotechnologies.

Outside the U.S., Japan is the nation with most finance available for biotechnology. The Government has declared it a national priority and is backing joint ecompany ventures. Most established Japanese companies in the field have at least one bank as a major shareholder, providing low-interest loans for R & D. Wealthy individual investors in Japan, although few in number, have also provided some risk capital.

FACTORS AFFECTING COMMERCIAL BIOTECHNOLOGY



Chris Walker

Japanese companies began investing in new biotechnology only in 1980, in response to the overseas threat to its pharmaceutical industry. Since then, more than 150 companies have "rapidly reorganised their R & D systems, equipped research institutes, and recruited new staff to evaluate the applications of biotechnology."

In 1981, MITI announced a 10-year plan to promote "next-generation" industrial biotechnologies, focusing on bioreactors, genetic engineering and mass cell culture. It invited 14 companies to participate. MITI is providing over $100m but 90 per cent of the R & D will be done in industry.

Five other Japanese government agencies are also funding biotechnology, and between them the Government provided $67m last year, mostly for *applied* research.

The report comments on the "truly extraordinary" ability of Japanese companies to rectify shortages of skills by retraining. It found that in 1981 only 10 private Japanese firms had more than 10 researchers in genetic engineering. A year later, 52 out of 60 leading companies had reached that level.

West Germany: The study also sees Germany as a possible rival—although less so than Japan—because of the strength of the private chemical sector and recent interest shown in biotechnology. It sees the Greens as a potential threat to the progress of biotechnology led by such companies as Hoechst, Bayer and BASF, all of which have established co-operative research programmes with German (and, in Hoechst's case, also with U.S.) universities.

The researchers offer two reasons why they do not see Germany as a threat comparable with Japan. One is funding and administrative problems in German universities which reduce the quality of their research. The other is the inflexibility of Federal Government funding.

Britain: The UK has more NBFs than other European countries or Japan, but the study concludes that the large, established companies such as ICI, Wellcome, Unilever and Glaxo "will play the major role" in determining how competitive it is in biotechnology. It says government support in 1982 roughly equalled the level of spending found in Japan, Germany and France.

Britain's tax laws tend to favour established companies rather than NBFs. It has the "largest and most rapid depreciation allowance of capital expenditures for scientific research" of all the potential U.S. rivals in biotechnology. But for the NBF, both the taxation of long-term capital gains—at 30 per cent—and of income from sale of technology" are the most unfavourable of the competitor countries."

It estimates that between 100 and 1,500 "experts in some aspect of biotechnology" have brain-drained from Britain in the past few years—an indication of the uncertainty here. Of these, 13 had gone to one NBF alone, Biogen in Geneva.

Although the study finds Britain has the potential to be a major competitor to the U.S., because of its strong research base and government interest, it is hampered by what "appears to be a lack of entrepreneurialism."

Switzerland: Three major Swiss pharmaceutical groups—Ciba Geigy, Hoffmann-La Roche and Sandoz—together with Biogen constitute an "impressive national potential in biotechnology," the report concludes. Swiss drug companies sell 10 per cent of the world's pharmaceuticals and are backed by a strong university research system.

Low corporate tax rates—the lowest in Europe—are favourable to established companies. Swiss anti-trust laws are no problem for R & D joint ventures. The big drug houses conduct much of their R & D in other countries but the academic system in Switzerland draws talent from other countries. The report concludes that, given the new government focus on biotechnology, Switzerland is a commercial force to be reckoned with.

France: France is currently in a less favourable position to compete with the U.S. than Japan or the three other European countries already discussed, the report finds. It believes it lacks "critical mass" of talent in the relevant disciplines, and has problems in finding enough government cash to remedy the situation.

French national interest was aroused in late 1980 with the Pelissolo report, and the Mitterrand Government has since resolved to push biotechnology as one of several chosen advanced technologies. France has the most highly co-ordinated policy of any of the six leading nations in biotechnology, the report finds.

Commercially, it "lags somewhat behind" the five already discussed. But if it can boost its manpower, "French industries could well gain a competitive footing in selected product markets."

Other competition: The report also discusses several countries not considered to be in the first league commercially, yet which are active in biotechnology. Sweden has bright ideas but "negative Swedish public attitudes" towards genetic engineering have inhibited progress.

Canada has designated biotechnology as a priority target but is short of people and of experience in getting government, universities and industry to collaborate. The Soviet Union is seen to have one major advantage over the capitalist system in that R & D is supported from inception through to production and distribution. Brazil is the only developing nation with a government policy for biotechnology but is short of people and capital.

Semiconductors: the similarities and the differences

How close is the parallel between the new biotechnology of the 1980s and the emergence of the U.S. semi-conductor industry in the 1960s? This is a question of consummate interest to investors.

The study finds some similarities but bigger differences, chiefly because "biotechnology is not an industry but a set of technologies that can be put to use by many industries."

It concludes that whereas "market pull" gave the big impetus to semiconductors, in biotechnology the impetus has been "science push" from a big U.S. basic research programme in molecular biology, geared to find a cure for cancer.

It believes that NBFs currently face a very different, and much more complex, market environment than did the new entrants to semiconductors in the wake of Bell Laboratories' discovery of the transistor.

* *Commercial biotechnology: an international analysis. U.S. Government Printing Office, Superintendent of Documents, Washington DC 20402.*

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Tuesday January 31 1984

Murder in Madrid

THE assassination in Madrid of Gen Guillermo Quintana Lacaci shows once more how vulnerable democratic states have become to determined bands of killers. Whether it be the IRA in Britain, extremists of Left or Right in Germany and Italy, or gunmen from the Middle East in Austria: their murderous activities have not been prevented by the police.

So much should be firmly noted before examining the question of whether Spain is especially vulnerable and, more important, whether there is reason to fear for the stability of a country that emerged from dictatorship less than 10 years ago.

The answer to the first question, as to the vulnerability of Spain, has to be in the affirmative. The country has a tradition of political violence. Memories of the civil war in the 1930s are still alive. It has to contend with the aspirations of minority groups, especially the Basques, who have fretted for centuries under centralist rule from Madrid.

In addition, powerful elements in the officer corps have not come to terms with democracy and with civilian control over the forces. They attempted a serious coup in February 1981 and another in October 1982. Disaffection among some officers in conjunction with Basque terrorism creates an especially dangerous mixture.

By striking at individual officers the terrorists hope to encourage the military hotheads and thereby weaken the civilian Government. It is not clear whether this has happened in the case of Gen Lacaci: the police suspect that he was killed by Basque terrorists, but that has not been confirmed.

At first sight the choice of victim is perplexing. Gen Lacaci was retired. Though he made no secret of his Francoist past, he had proved loyal to the democratic Government. The attempted coup of 1981 was foiled largely because Gen Lacaci, as military governor of Madrid, denied his support. The terrorists did not strike at a diehard. They killed a man unlikely to sabotage government attempts to conciliate Basque sentiment. That may have cost him his life. Extremists often reserve special hatred for the less extreme among their opponents.

Though it has to be accepted that Spain is exposed to a heightened risk of terrorist attacks, there are encouraging signs that Spanish democracy is increasingly able to cope with such challenges. First and foremost one must cite the failure of the coups of 1981 and 1982. Had either of them found active support from the key officers, there would be a very different story to tell.

The plotters of 1981 were treated rather gently by a court marial. But the civilian Government took the matter to the Supreme Court where stiffer sentences were imposed. The officer corps acquiesced.

It showed no open disquiet when, this month, the Government re-arranged command structures at the very top of the armed forces in order to strengthen control by the civilian Minister of Defence. If resentments were aroused, they have not been publicly aired.

Insufficient evidence

That is insufficient evidence to conclude that the diehards have given up. But the Socialist Government of Sr Felipe Gonzalez may be more acceptable to the officer corps than might have been supposed. It has a firm majority, diminishing the soldiers' fears that democracy is synonymous with a power vacuum. The Socialists can also be identified to an extent with the cause of Spanish unity. In the Basque country and in Catalonia the Socialists are in opposition to regional governments pushing for greater autonomoy.

Sr Gonzalez's Government itself has scored an important political success against Basque terrorism by inducing the French authorities to detain or deport several suspected terrorist leaders operating from a safe haven in France. It is not unreasonable to suppose that Gen Lacaci was killed in order to demonstrate that Basque terrorism still needs to be reckoned with.

The Government may also be moving the soldiers towards a reconciliation with the democratic system by playing down its opposition to Spanish membership in Nato. The undertaking to submit the matter to a referendum stands, but Spanish ministers have watered down their intention to quit the alliance.

The Gonzalez Government has handled the armed forced with firmness and skill. The process of fitting the forces into a democratic state has begun. The Government will have to pursue this objective with undiminished determination. Its friends in western Europe can help by not placing unnecessary obstacles in its way, especially in the negotiations for admitting Spain to the European Community.

Finance for small UK firms

THE Business Expansion Scheme, which was introduced in 1981 as the Business Start Up Scheme has proved to be one of the British Government's most imaginative ideas for helping small businesses. But in recent weeks the manner in which it is being used by some operators has attracted unwelcome publicity, raising questions which the Chancellor may have to answer by tightening up the rules in his forthcoming Budget.

One of the difficulties for policymakers at this stage is the shortage of evidence with with to judge the success of *any* of the Government's measures to assist small firms—and the BES, which provides income tax relief on up to £40,000 of shares subscribed by individuals in most unquoted trading companies, is no exception.

It is already clear that the BES has been much more effective than the original Start Up Scheme (which limited relief to investment in companies which had been trading for up to five years). Most conspicuously it has spawned a large number of managed funds which collectively have pulled in more than £30m from private investors.

This is a large pool of money for investment in the ordinary shares of unquoted UK businesses, much greater, for example, than last year's *equity* commitments by ICFC, the leading supplier of long-term funds for small companies. There is little doubt that it would not have been raised but for the Government's decision to increase the individual subscription limit to £40,000 a year and, crucially, to extend the relief to established companies as well as the riskier area of start ups.

Unseemly scramble

Three developments, however, give cause for concern. Many of the BES fund managers have promised to invest their money before April 5 to ensure that the private investors for whom they are acting get tax relief on 1983-84 income.

It would do the BES no good at all if there is an unseemly scramble ahead of this artificial deadline to throw money at any "entrepreneur" who walks through the door.

Secondly, the BES is not yet penetrating the one area of the market where there remains an obvious equity gap—namely those businesses which require sums under £50,000.

Ministers originally hoped that modern Aunt Agathas — in the form perhaps of a doctor or a dentist — would use the Scheme to back local companies of which they had direct personal knowledge.

But while the City of London's participation is welcome, only local initiatives such as the one backed by an enterprise agency in the North west of England recently will really hit the scheme's intended targets.

Finally, there is the key question of which ventures are now attracting support.

A clear picture has not yet emerged, but it appears likely that established companies—undercapitalised but with some track record—could attract the lion's share of the money. This is acceptable so long as finance available for start-ups does not dry up.

More controversially, a handful of promoters are aiming to use the Scheme to finance farming. For example, the Hill Samuel Group is in the process of trying to pull in up to £15m for a new company, Beechbank Farmers.

The farms which Beechbank buys will no doubt benefit from new investment and as long as the sums remain small other sectors are unlikely to suffer. It is nevertheless difficult to argue that farmers are a group the Scheme was intended to support.

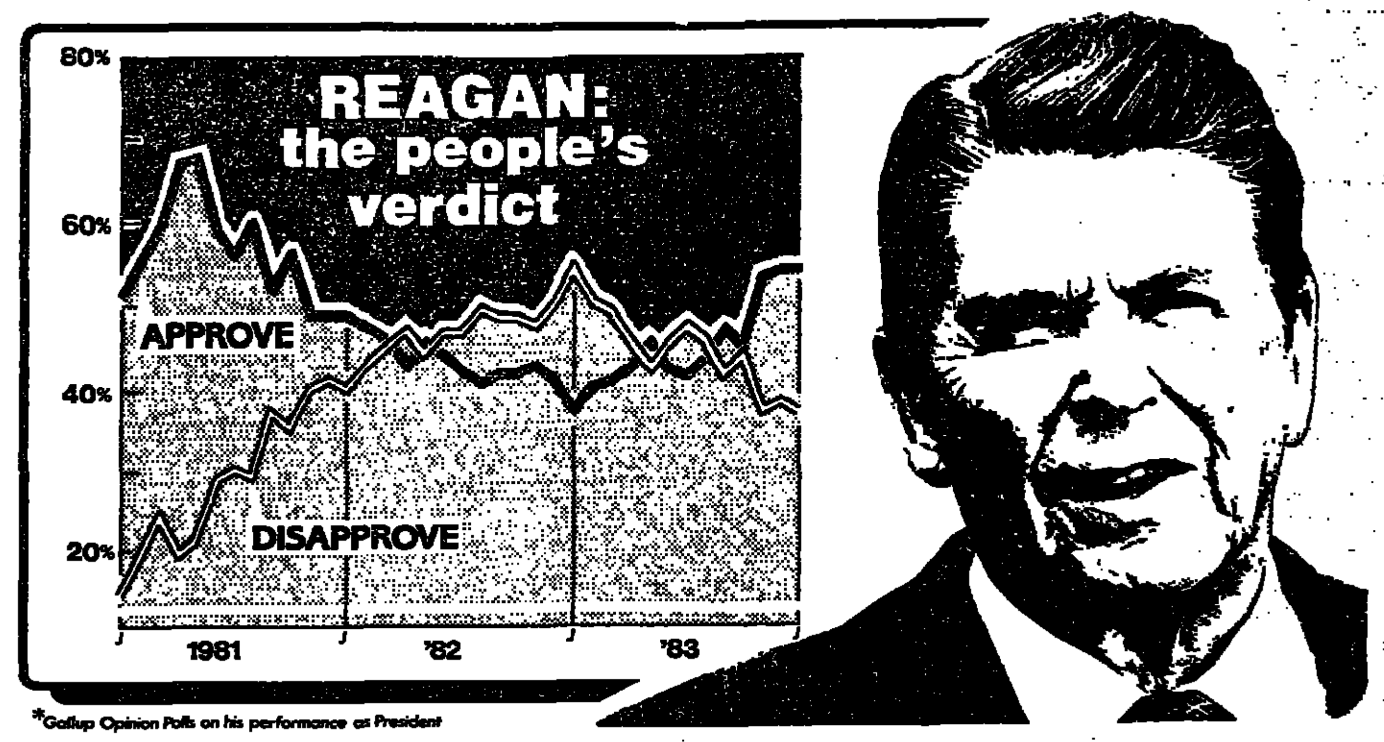
There are other examples where BES funds have been channelled into property-backed enterprises which would surely have found willing investors without the Scheme.

It may be that these apparent distortions are a price worth paying for the general benefits of the Business Expansion Scheme. But the Government needs to examine whether it is feasible to tighten up the rules (without creating too much complexity) so that the original aims of the Scheme can be fulfilled.

U.S. PRESIDENTIAL ELECTION

Mr Reagan's strong hand

By Reginald Dale, U.S. Editor in Washington



*Gallup Opinion Polls on his performance as President

PRESIDENT Ronald Reagan has finally made it official. After a "difficult personal decision," he has let the American people in on one of the worst-kept political secrets of the decade—he is to run for a second term in the White House in this year's November elections.

To suggest that anyone in Washington yesterday was mildly surprised would be an overstatement. Mr Reagan has for months looked every inch a candidate. But he managed to squeeze the last drop of drama out of what might otherwise have been a run-of-the-mill announcement by delaying it for so long—it was originally billed for early in September—and engaging in a teasing public game of hide-and-seek that left just the slightest nagging doubt about his real intentions until the last minute.

Now, he is eager for the fray. Since last week's upbeat State of the Union address, Mr Reagan has been in a combative electioneering mood. Newsweek magazine shows him happily limbering up his handshaking muscles with a special fist-held exercise device, and for a man who will be 73 next Monday he is by all accounts in excellent health. (His age is probably less of an issue now than it was in 1980.) For two months now, money has been flowing into his campaign coffers—$4.2m at the latest count—and over 2m more fund-raising letters were specially mailed at the weekend to arrive immediately after Sunday night's announcement of his intentions.

His timing could not, as it turns out, have been better. He has cut the tape on the 1984 election season, riding a new wave of national popularity that makes him, according to more than one opinion poll, the most respected White House incumbent after three years in office since President Dwight D. Eisenhower in the mid-1950s.

Unlike most of his predecessors, Mr Reagan's approval rating has climbed during his third year, after hitting an all-time low 12 months ago in what was inevitably dubbed his "winter of discontent." He is likely to be the first incumbent president, again since Eisenhower, to face no opposition for his party's nomination.

It is not, however, going to be all downhill from here. While his personal popularity may be on the rise, thanks largely to economic recovery, Mr Reagan still creates deep divisions in an electorate that is concerned about many of his specific policies. He is potentially vulnerable on all of the three major issues — the economy, foreign policy and his particular brand of leadership —that now looks like dominating the campaign over the coming months.

Some of his opponents argue that he has polarised the country so sharply between the haves and the have-nots that this will be the first "class" election in the U.S. in living memory. Mr Reagan's White House aides would not put it quite like that. "It's a battle for the economic middle as well as the political middle." says Mr Richard Wirthlin, Mr Reagan's pollster.

But the Republicans accept that Mr Reagan's lead in the opinion polls is likely to narrow after the Democrats select their candidate, and they fear that an international event beyond the President's control, perhaps in Lebanon, could play havoc with their calculations. "We're expecting a very close race and preparing for it," says Mr James Baker, the White House Chief of Staff.

For the moment, Mr Reagan's strongest card is the economy, a point underlined last week by a New York Times/CBS News poll that gave him the highest public approval rating for his economic policies since April 1981. Mr Reagan's campaign officials are keeping their fingers crossed that the current combination of healthy-looking growth, low inflation and declining unemployment will hold up until November, as the President himself vigorously insists that it will. If, before then, any of the indicators start to go even slightly sour, the Democrats will undoubtedy try to make the most of it.

Mr Reagan's main immediate concern on the economic front, however, remains the budget deficits, now running at about $180bn a year, which he had pledged to eliminate altogether by now in his 1980 campaign. Tacitly at least he acknowledged his sensitivity on the issue last week by appealing to the Democrats to share responsibility with him in tackling them.

But while the Democrats can be expected to keep on pounding away at the deficits, they are finding it harder to attack Mr Reagan on the current state of the economy in general. Much of their fire is accordingly now being directed at what is generally acknowledged to be one of Mr Reagan's weakest points—foreign policy.

Foreign policy would not ordinarily be expected to play a dominant role in a peace-time American presidential election. But this time there is an intensely emotional, and visible, focal point for national anxiety —the U.S. Marines in Beirut. Largely because of mounting misgivings over Mr Reagan's handling of the Lebanese problem, 50 per cent of respondents to one poll this month gave him a negative rating for his management of foreign affairs —as low as at any time in his presidency.

The most respected White House incumbent since Dwight D. Eisenhower

The same people who give Mr Reagan overall approval ratings of 54 or 56 per cent say by majorities of around two to one that he must bring the Marines home.

Mr Reagan would dearly love to do so. The problem, he said last week, is "how and when." But he also said that he will not withdraw them for domestic electoral reasons, and there is a strong element of determination in his character which suggests that he would not do so, as long as he felt that their presence was serving American interests, regardless of what his campaign managers might recommend.

Nevertheless national awareness of his difficulties in Lebanon — kept alive by almost nightly TV news reports — has recently tended to spill over into concern on other foreign issues, including, notably, Central America, where there are also fears that Mr Reagan will get the country into a war that could lead to American casualties.

The polls show that many Americans blame the Soviet Union more than Mr Reagan for increasing world tension, and believe that he has made the U.S. a "safer" place as he claims. But the euphoria that followed October's Grenada invasion has waned, and a clear 60 per cent earlier this month expressed the view that Mr Reagan is trying to do too much militarily overseas.

Mr Reagan's campaign officials claim that three years of his presidency have given the lie to the "war mongering" image that former President Jimmy Carter tried to pin on him in 1980.

The Democrats, however, still believe that they can make considerable mileage out of the "War and Peace" issue, against a background of growing American consciousness of the dangers of nuclear war and Mr Reagan's failure to reach a single arms control agreement with Moscow.

Mr Reagan, they say, is the first U.S. President since Herbert Hoover in the early 1930s not even to have met his Soviet counterpart. They claim he has not achieved any major foreign policy breakthroughs in three years in the White House.

If Mr Reagan can successfully extract the Marines from Beirut and muddle through in Central America, he may be able to defuse some of this opposition. He will in any case take credit for having restored American strength and self-respect worldwide and revived the sagging morale of the armed forces—all of which he can claim he was elected to do in 1980.

Mr Reagan has changed the climate of political debate to the extent that not even Mr Walter Mondale, his supposedly "liberal" main Democratic challenger, wants to be seen as "soft" on defence. By the same token, Mr Mondale is energetically trying to avoid being cast as a traditional Democratic "big-spender," whose policies would exacerbate the budget deficit.

What unites the Democrats today is a fervent conviction that Mr Reagan can and must be beaten before his economic, social and educational policies do irreversible damage to the fabric of American society, and, they would add, the prospects of the next generation. This is at the heart of what has become known as the "fairness" issue—Mr Reagan's perceived favouritism of the rich over the poor, the powerful over the weak, the polluter over the polluted. This is what has motivated organisations like the AFL-CIO, the country's largest union federation, to bury past differences in favour of an unprecedented, concerted drive for Mr Mondale.

Mr Reagan's advisers privately concede that the Democrats are more unified on this deep-seated issue — which calls the whole nature of his leadership into question— than they have been for years. Indeed, the President displays considerable sensitivity whenever he is publicly pressed on the "fairness" theme.

Mr Reagan has been more isolated doing his 9-5 job in the White House than most past Presidents — partly because of the ever-increasing demands of security, partly by choice. The people he sees are mostly either his closest advisers or well-wishing supporters.

The American dream has come true relatively painlessly for Mr Reagan, who started life in a humble small town in the Mid-West. He sometimes gives the impression that he finds it hard to grasp how rough life can be for others, not necessarily through any fault of their own. He firmly believes that the capitalist system will look after those who embrace it warmly enough.

The Republicans dispute Democratic claims that such Reaganite attitudes have bitterly polarised the nation. Both sides were exchanging competing figures to prove their point at the weekend, with Mr Reagan's pollsters claiming that those "strongly disapproving" of him have now dwindled to less than 20 per cent of the electorate. The Democrats say that a "hard core" of Reagan supporters, composed of about 35 per cent of the voters, is confronted by a slightly larger group of 38 per cent who are "unalterably opposed" to him.

The Republicans admit that, come polling day, they will have to win over a considerable number of the more numerous registered Democrats to repeat the success of 1980, and recapture the several million mainly younger, better educated, middle income voters who deserted Mr Reagan for the Democrats in the November 1982 mid-term election—an objective that is by no means out of reach.

Mr Reagan has little chance of holding even the 10 per cent of black votes he won in 1980, and for months now he has been energetically wooing the growing Hispanic vote instead. He still suffers from the notorious "gender gap," which shows his approval ratings nearly 9 per cent lower among women than men—another item of considerable concern to the White House strategists.

Mr Reagan has a big lead in rural areas—particularly in the "wide open spaces" of the West. The Democrats lead in the large cities, the East and their traditional southern stronghold. Suburbs and small towns, according to one pollster, are fairly evenly split.

All these factors could make the race closer than Mr Reagan's recent buoyant approval ratings might suggest. The Democrats believe that if they can turn it into a sufficiently "big stakes" election, they can mobilise previously apathetic voters and reverse the declining turnouts of recent years — after all, 53 per cent of Americans claim to be Democrats.

Mr Reagan, however, starts with a number of high cards in his hand, and he can be relied on to play them with all the skills of timing and attention-grabbing that he has displayed in the past. Yesterday, the Reagan camp was cock-a-hoop about the prospects. But a note of warning was struck by Senator Paul Laxalt of Nevada, Mr Reagan's close friend and campaign chairman. "It's too good to be true," he said "and that makes me a bit nervous."

Men & Matters

Hodge's double

At 79 years of age Sir Julian Hodge, the Welsh financier, looks like pulling off a notable double if he succeeds in securing a full London stock exchange listing for the Commercial Bank of Wales early in April.

Hodge will be redeeming a promise made to shareholders when he launched his idea for a Welsh "bank" more than 20 years ago: that it would have a full stock exchange quotation. And he will, he confidently believes, be the oldest businessman ever to bring a company to a listing.. The latter claim, he agrees, is open to challenge. But hasty research yesterday failed to unearth one.

Hodge has been controversial always; but dull, never. His varied business lifetime provides a bedtime story of poor boy who made good. Starting life as a railway clerk in Cardiff he sold insurance round the working-class streets in the evenings.

Hodge has given away more than £35m to charitable foundations but, nevertheless, owns to being "very rich"—on the yardstick that such a rating starts with personal assets of more than £10m.

Work is still his pleasure and he puts in a 7-day week. His concessions to advancing years are a mid-week round of golf for exercise—"I go back to the office after, of course"—and short working days on Saturdays and Sundays finishing at 2 pm.

That is the Hodge who has become a Welsh folk hero in his time and has attracted investor deposits of £44m into his Commercial Bank of Wales.

But there is a darker side to the man which has surfaced from time to time in public criticisms of his business methods.

Twenty years ago Hodge was admitting with a grin, "It was the incredible honesty of the British motorists that saved me from going right under." He was emerging from a period when his activities were described by one writer as "getting into one sticky situation after another."

His Hodge Group, a sprawling empire of banking, hire purchase, and unit trusts, had just been reorganised with outside help. He had financed car-buyers using such a muddled computer system that, as he admits, "We could not back-check on who had paid and who hadn't."

Hodge, a Labour Party supporter, and a devout Roman Catholic, had a dream. He would found a Bank of Wales, supported by the savings of the Welsh nation, to spearhead the industrial regeneration of the Principality.

When it came to pass in 1972 he had powerful political support. Cardiff MP James Callaghan, later to be Prime Minister, was a member of his original board. So was another Cardiff MP, George Thomas, who went on to be Speaker of the House of Commons.

But Hodge's "bank" was not in the full-blooded form he had envisaged. The authorities jibbed at a Bank of Wales—it might be misunderstood abroad as being a central bank—and insisted upon another name. He was pressed to accept "Investment Bank of Wales" and settled for "Commercial Bank of Wales."

The new business had a difficult start in the 1970s and in 1981 was told by the Bank of England to stop calling itself a bank. But less than a year later the Bank of England relented and granted the Commercial Bank of Wales full banking status. Threadneedle Street liked the look of the flow of foreign funds into Cardiff.

Hodge said at the time, "All Wales will rejoice at the news." He identifies his forthcoming stock exchange listing just as strongly with the Principality. "Really, trading under Rule 163 does not seem suitable for a recognised bank so representative of Wales," he told me yesterday.

"It's all very well paying £1,000 for giving up union membership — what happens if it proves to be a runaway success?"

Elf struck

Michel Pecqueur, brought in last year to head Elf Aquitaine, the state-controlled French oil group, fielded some awkward questions on the "oil sniffer" affair yesterday with great, and genteel, aplomb.

A genial man who, from some angles at least, bears a striking resemblance to Helmut Kohl (though Kohl has more hair) and exudes the same bass-voiced bonhomie, Pecqueur was delivering Elf's 1983 results—which confirm the group as France's most profitable enterprise.

Elf would be "drawing consequences" from the scandal, Pecqueur said, but it belonged firmly in the past, a "limited" episode in the life of the group.

Considerable mystery still surrounds the FFr 500m Elf paid during the late 1970s for the electronic oil-detection method subsequently found to be worthless. Pecqueur promised that the company would do all it could to shed more light on the affair—but did not say how or when.

Pecqueur deftly parried any attempt to find a scapegoat in either of his immediate predecessors, Albin Chalandon and Pierre Guillaumat. The group should be judged, he said, by all its activities and not by just one "painful" event eight years ago.

Owen's trip

At least the thought had Dr David Owen musing in Tokyo last night. There was the leader of the Social Democrats in the Japanese capital just as Nissan was beginning its final debate on whether or not to invest in the UK. Had he not, it was put to him, contemplated a Jesse Jackson-style mission from which he could claim the credit for bringing the Japanese car company to Britain?

Owen had to confess that he had not thought of it—though he has been discussing investment, among other things, and was yesterday moving in the upper reaches of Japanese political society, meeting Prime Minister Nakasone.

Owen's mission, in fact, has been to get together with Saburo Okita, former Japanese foreign minister, and Zbigniew Brzezinski, Jimmy Carter's national security adviser, to hammer into shape a report for the Trilateral Commission (which groups together luminaries from the U.S., Europe, and Japan) on how to revitalise the global economy.

The report is due out in April and, Owen hopes, might serve to focus the minds of heads of government at the London economic summit in June.

The main point Owen is going to make in it is that Japan's greatest contribution lies in foreign investment — like that of Nissan, I presume.

Observer

Letters to the Editor

The real reward of collaboration with the Japanese

From the Principal of Capito Technical Transfer Management

Sir, — Christopher Lorenz (January 16) rightly warns those contemplating collaboration with Japanese to think through the longer term relationship and to beware of situations inviting failure. He panders too much, however, to the view, widely held in the West, of the Japanese as unpredictable, unreliable and even treacherous.

Having long worked in Japan with Japanese companies in numerous forms of collaboration, both within and without Japan (in Europe and the U.S.), I can say with confidence that Japanese companies and individuals are no more unpredictable and often a lot less unreliable or untrustworthy than their parallels in the West. Too few Westerners take the trouble to acquire the knowledge and understanding to make reasonable predictions or to understand expected or actual behaviour in Japanese.

Japanese are much motivated by honour and "face" but short-term profit or loss is much less important to them. Any Japanese entering a collaboration with a Westerner would lose much face if the collaboration failed, especially were the failure to be attributable to the Japanese side. On the other hand, a collaboration is only valid while all parties to it share the contributions to it as well as the rewards in a fair way. Hence a one-sided transfer of know-how or products is not really a collaboration but a short-term sale. It is inconceivable that a Japanese would deliberately break up a successful collaboration

Common sense dictates that one should only enter collaborations where one can do so from a position of reasonable strength. The preparation and presentation of a negotiating position is an art in itself, at which many Japanese are expert. Though some Japanese may seem to treat weak partners with contempt (attitudes not unknown in the West), they will often treat partners in a true relationship with exceptional generosity and support when in trouble. Akzo's partners in Japan often shouldered a larger share of the burdens of its joint ventures while the Group's financial troubles were at a peak, without affecting the relationships adversely.

Contracts are another source of misunderstanding, the spirit being more important than the letter. If situations change, then contracts are deemed to change with them, preserving the spirit so far as possible. I cannot emphasise too highly the need to continue to preserve a position of relative strength in a relationship by continuing to contribute to the development of the collaboration.

As Christopher Lorenz says, a development contribution is a valuable way by which a Western partner may preserve its role, building on original strengths where possible.

My strong advice to companies contemplating a collaboration with Japanese is not to be afraid for their backs but to be very careful over their preparation and presentation of their negotiating position, using the best expertise and advice available. In personal contacts with Japanese, be very open and trusting; Japanese will almost invariably respond to trust with trust and will take care not to be accused of breaking such trust. It is important to avoid misunderstandings and, therefore care must be taken with full explanations at all stages.

The rewards of collaboration with Japanese, as many hundreds of successful participants can testify, go much deeper than the simple profit and loss of the enterprise.

J. E. Capito.
Squirrels Fox Corner,
Worplesdon, Surrey.

Christopher Lorenz writes: The article took pains to stress that "there is nothing uniquely Japanese" about the frequent decision of the stronger partner in a licensing/OEM/joint venture relationship. It pointed out that European companies have often complained of such tactics by their erstwhile American partners.

Leadership of the ISTC

From Mr K. Hale

Sir,—Mr Brian Groom's commentary on Mr William Sirs' leadership of the Iron & Steel Trades Confederation (January 18) is an interesting reflection on how some commentators and the public at large perceive trade union leaders.

Actual experience of dealing with contemporary senior trade union officials does not always match popular perception as exemplified by simplistic labels such as "left wing," "right wing," "moderate" and "militant." Contrary to what Mr Groom evidently believes, I doubt whether there are many in the steel industry—either within the ISTC or outside it—who really feel that the union's stature has been enhanced by Mr Sirs' stewardship.

Mr Groom lays heavy emphasis on the internal cosmetic changes introduced in the union's structure by Mr Sirs, but rather less on the ISTC's actions during the 1980 steel strike, for which Mr Sirs must surely carry the prime responsibility. Mr Groom fails to mention entirely the ISTC's disgraceful conduct towards the privately owned sector of the industry which was not a party to the ISTC/BSC dispute.

It is a matter of public record that on December 20 1979, when industrial action against BSC seemed likely, Mr Sirs gave an undertaking to the Independent Steel Employers Association in open meeting that the private sector would not be involved. On January 17 1980, I received from Mr Sirs notice of an immediate ban on loading, and 10 days' notice of indefinite strike action against the private sector, unless the dispute was settled in the meantime. The independent employers were urged to put pressure on the BSC and the Government to secure a settlement — as barefaced a piece of industrial blackmail as it is possible to imagine.

Throughout this 13-week strike, the ISTC used every device imaginable to frustrate a return to normal working which the vast majority of its members employed in independent plants so demonstrably wanted. So much for the "democratisation" of the union which Mr Groom applauds.

The scenes on the picket lines at Hadfields made the recent events at the Stockport Messenger look like a Girl Guides' outing. Mr Groom praises Mr Sirs for upholding the tradition of disciplining members who break the rules, yet his own actions in January 1980 flew in the face of procedures agreed with the employers for many years.

Mr Groom may be right in thinking that the world will hear less of the ISTC if Mr Evans is made general secretary, but it will be a better union for it. Mr Sirs' liking of the public stage has done neither his union nor the industry any good.

Ken Hale,
formerly General Secretary,
Independent Steel Employers' Association.
"Abercombe,"
Richings Way,
Iver, Bucks.

Portability of pensions

From Mr R. Jenkins

Sir,—Barry Riley (January 21) was right to point out that true pension portability would spell the end of final salary schemes, since the two approaches are irreconcilable.

The essence of a final salary scheme is the employer's guarantee to underwrite, regardless of cost, additional funding required to maintain a specified relationship between salary and pension. It is upon that guarantee that the employee relies for his pension, rather than the underlying funding.

Considerations of portability and injustice to early leavers have tended to focus on making the position of early leavers more comparable with that of those who stay. That is certainly the thrust of the Government's consultative document. Perhaps we should ask a more fundamental question — is it reasonable to allow employers to make the sort of guarantee implicit in a final salary scheme? As we all know, in calculating the cost of the guarantee the employer takes account of the likely rate of early leavers. There is nothing wrong in that, but the point of concern is that early leavers are not confined to the "younger mobile elements" to whom Mr Riley refers. Often the real sufferer from lack of portability is the middle-aged employee made redundant through no fault of his own. Final salary schemes were introduced with the best of intentions. Now we see that uncertainity over the term of employment introduces a random element into the benefit to the employee of the final salary guarantee, but often an employee will have no alternative to accept. Indeed, at the time of accepting employment, he may welcome it.

The Government's proposals seek to remove the uncertainty by legislating to extend the guarantee (in a modified form) to early leavers. Since in the world of funded schemes nothing is for nothing, it is recognised that this will involve additional costs both to employers and fund members (possibly for the latter to be paid in the form of reduced benefits).

Effectively, this will be approaching a money purchase scheme, with sufficient funding to provide for an assumed future rate of inflation, but with all the fearsome administrative complexity outlined by Eric Short.

Better surely, to remove the final salary guarantee and revert to true money-purchase.

Richard Jenkins.
3 Oaks Park,
Rough Common, Canterbury.

Return of surplus

From Mr D. M. Anthony

Sir, — May I join the debate following the change of tack by the Superannuation Funds office on the return of surplus?

It seems to me that what needs to be examined more closely is what is a "surplus position." Traditionally, pension funds in the UK have measured their strength of funding in terms of liabilities based on pensionable service and pensionable salary at the date of a valuation by the actuary. To the extent that assets exceed liabilities on that date, some people have drawn the conclusion that any excess constitutes a "surplus" position. Not so in my view, since in fact all that has taken place is a snapshot of the scheme's funding on a basis which assumes the scheme has been discontinued.

But pension schemes are, for the most part, on-going concerns and should be regarded as such. A view, endorsed in 1982 by the Accounting Standards Committee. Arguably, therefore, the proper view to take of funding, and therefore whether surplus exists or not, is the relationship between assets and liabilities expressed in terms of pensionable service to date and pensionable salaries projected to normal retirement — the real liability for a pension scheme providing benefits related to final pay. The assessment of funding produces, surely, a more meaningful and realistic view. It may be that "surplus" exists if assets exceed liabilities in these circumstances, although there are still questions to be raised and answered about funding objectives.

At present it is unlikely that many pension schemes enjoy "surplus" using this basis of examination. If the yardstick for determining such is the "on-going" approach, then the idea of a return of surplus may be more illusory than real.

One ingredient in the pursuit of "surplus" is superior investment performance and the selection of an investment manager in tune with the objectives which scheme trustees have; that, however, is another matter.

Of course the concept of return of surplus could always be part of the lobby for portable pensions.

D. M. Anthony.
Montagu Investment Management.
11, Devonshire Square, EC2.

Preference shares

From the Deputy Chairman, of John Govett.

Sir,—May I take up a point raised in the Lex column (January 24) concerning preference shares Lex points out that Grand Metropolitan has acceptances for its offer, through its wholly-owned subsidiary Grand Metropolitan Investments, of 89.8 per cent of the preference shares of Grand Metropolitan (Scotland) and concludes that only another 0.2 per cent is needed before the compulsory purchase provisions of Section 209 may be applied. What Lex does not mention is that Grand Metropolitan already owns through another subsidiary over 50 per cent of this preference share issue. If this holding were to be treated as owned by the company bidding, Grand Metropolitan would need to secure acceptance in practice of 95 per cent of the total issue before applying for compulsory purchase powers.

It would be interesting to know what course Grand Metropolitan intends to adopt. If it does succeed in applying compulsory purchase powers with a 9.9 per cent minority outstanding, the implications for minority shareholders are far-reaching and serious. All large groups can incorporate suitable subsidiaries so that an existing holding can be held in subsidiary A while subsidiary B makes a bid for the minority. It would appear that the protection for the minority—that the bidder must get 90 per cent of the shares he does not already own—is thus circumvented. Lawyers may disagree about the correct interpretation of the 1948 Companies Act; its spirit would certainly seem to have been lost if this kind of exercise were to become commonplace.

M. R. Cornwall-Jones.
Winchester House,
77 London Wall, EC2.

Coping with the shock of the new in architecture

From Mr M. Manser.

Sir,—Of the many people who wrote to you about my article "Conservation has gone far too far" on January 11, none questioned the proposition. Most, however, attributed the problem to a general dislike of the new architecture.

There are probably four reasons for this. First, I do not deny that, as in every other field of endeavour, architects are a varied bunch. Like lawyers, accountants and human beings generally, those who excel are in a minority.

Second, bearing in mind that nothing an architect designs is built unless someone likes it enough to pay the bill, some part of the responsibility for quality in architecture rests with those with patronage. An architect should be chosen by interview and examination of his previous work—a process just not available in the selection of other consultants like lawyers or accountants. But it seldom happens that way.

There are three prime movers in the construction of the building. The owner, the architect and the constructor. If it is to be well designed the owner and the architect have to work in close harmony and if it is to be well constructed the architect and the builder have to work in close harmony. The owner has to contribute. There has never been a fine piece of architecture without a deeply interested and committed owner.

The third reason is what has been called the "Shock of the New." Seldom in history has contemporary architecture been much admired. Carlton House Terrace was deeply disliked; so was much of the work of Soane and the brothers Adam. In several books Jane Austen refers pejoratively to "people who live in plain white modern houses." Recognition comes later.

Buildings which were regarded as monstrous, modernistic buildings of the thirties—Odeon Style—are now much admired. In the fullness of time so will much of our post-war building. That a building is unfamiliar and new may not mean it is bad.

The final reason is that we have the most detailed planning control of architectural design in the world. Everything built in the last 45 years has been through the aesthetic sieve. The results are duller than those of the previous 45 years. It has been an expensive and worthless cause of delay in the redevelopment process. It can also sometimes become deeply undemocratic in its administration because decisions on the appearance of buildings are not taken by the owner or his chosen architect but by local authority environmental design officers. Human nature being what it is, they work on a subjective basis of what they like; what they prefer, without culpability for practicality, cost or delay. Their preferences are achieved by a kind of benign blackmail — because non-compliance means an expensive appeal to the Secretary of State which building owners can seldom afford in time or money. Architects do not usually complain or object because they have to negotiate with the same environmental design officers the next time around.

One very famous, internationally respected, British architect, working on a site in London has been presented with a photograph of a 19th century building in Glasgow, with the instruction that his London elevations should look the same and that there should be terracotta cherubs over the windows. Why hire a big name architect when the design will be detailed by an anonymous local authority officer?

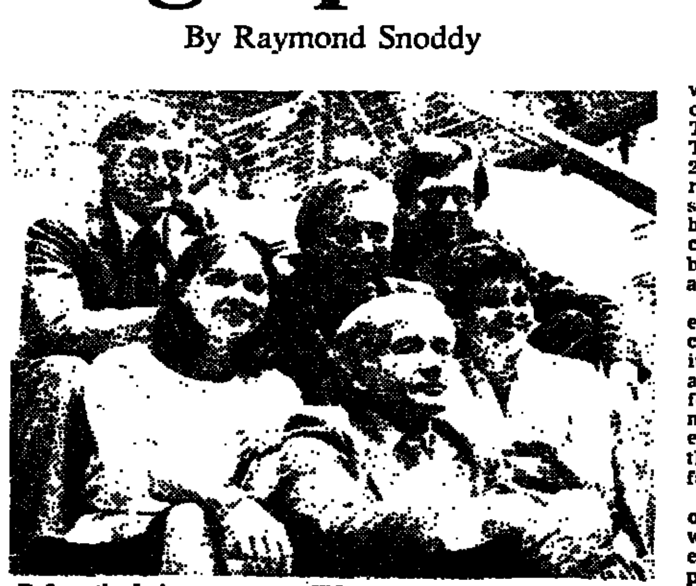
The new is unlikely in general to be instantly loved and admired. If more owners took more care to find the architect of their choice and played an active part in the design process, if the local authority stuck to planning at which they have had much success and avoided censorship of architectural design in which they are inadequate, amateur and wholly destructive, then our new architectural heritage might have more vigour, vitality and grace.

Michael Manser.
Michael Manser Associates,
8, Hammersmithe Broadway, W6

UK Breakfast Television

The new gospel at TV-am

By Raymond Snoddy



Before the knives came out: TV-am stars at the launch a year ago. Of the original team only David Frost (third from left) is currently a regular presenter.

LORD BERNSTEIN, the creator of Granada Television, sipped a large whisky and gave Timothy Aitken, chief executive of TV-am, three blunt predictions about the future of Britain's breakfast television company.

"You will have to make a write-off—sooner or later you will have to put the past behind you. You will have to go yourself to the advertisers (by-passing the agencies) and don't think you can do it in less than 18 months."

The 38-year-old Mr Aitken consulted the former chairman of Granada, who celebrated his 85th birthday yesterday, just after taking over Europe's only national commercial breakfast TV company last April.

"I knew a great deal about the communications business — certainly knew something about costs in Fleet Street," says the grandson of Lord Beaverbrook. "But I knew nothing about television."

Nine months and many crises and headlines later as TV-am prepares to celebrate its first anniversary on the air tomorow Lord Bernstein's warnings have turned out to be "the gospel."

First, the write-off. In November TV-am wrote off £4.3m in losses as part of a £5.5m re-financing that brought in Fleet Holdings and Kerry Packer's Consolidated Press with much needed new operating capital to join original shareholders such as Barclays Merchant Bank and Prudential Assurance.

Second, advertising. Last Monday, frustration with major advertising agencies and the continuing Institute of Practitioners in Advertising-Equity dispute, spurred Mr Aitken and editor-in-chief Greg Dyke to begin a personal campaign to sell TV-am as an advertising medium directly to top companies.

The presentation to chief executives and finance officers points out that TV-am had 6.6m viewers in the week prior to the Christmas holidays, that 51 per cent of its audience is under 34 and that it includes many housewives under 24.

The campaign is a sign of TV-am's urgent need for better revenues and its belief that most advertising agencies have not responded to TV-am improved ratings.

Mr Aitken argues that they have now produced the audience they predicted a year ago when for a few weeks they were able to charge £7,600 a minute for advertising.

"We promised ratings which we have now delivered. But we are still around the £3,000 mark. That's pathetic. Somewhere along the line there is a breakdown," says Mr Aitken.

TV-am is now offering major companies the chance to pay an undisclosed premium on the £3,000 rate but to have it held for two years no matter how much the audience increases.

But the agencies are still sceptical. Mr Morgan Johnson, managing director of Davidson, Pearce, the advertising agency which placed the first advertisement shown on TV-am — for Wall's sausages—is still critical of the profile of the TV-am audience and its pro-rata costs compared with the rest of ITV.

"If they could deliver an average of 500,000-600,000 housewives throughout the programme that would be a very interesting medium," says Mr Johnson who, however, continues to use it. He believes that at the moment the average across the whole programme is less than 200,000.

Lord Bernstein's third forecast — that it will take 18 months at least to turn TV-am round is now also looking prescient. Net advertising revenue for the first 12 months is unlikely to be much above £7m. Costs running at a rate of £21m a year have been brought down to an annual rate below £15m but TV-am is still losing at least £200,000 a month.

Days before the anniversary celebrations Mr Aitken says there will be more orange juice than champagne—he planned to tighten the screw again to get costs down to £13m a year.

"There will be more dramatic cuts. I make no bones about it," he says.

Last week the management said it was looking for 50 redundancies from its 350 staff.

Mr Aitken, who has already handed over detailed day-to-day running of the company to concentrate on Aitken Hume's U.S. investments, is reconciled to an "unspectacular first half at TV-am.

"I don't see it emerging from the gloom until September."

TV-am is pinning its hopes for a larger audience on the summer Olympics in Los Angeles, with its stream of events taking place overnight. The company hopes that some at least of the new audience will stick, having sampled breakfast television for the first time.

"I think we will then go into the autumn with some pretty sharp ratings figures and by that time the advertisers will be catching up with us," says Mr Aitken. The latest audience figures available for the week ending January 22 show TV-am with a peak audience of 1.4m equalling the BBC peak. Timothy Aitken believes the TV-am peak could pass the 2m mark later this year and that revenues of £14m-£15m are possible. In year three £15m, he believes, is definitely on the cards with "some serious numbers—£20m-£25m" in year four and return on capital.

The crisis at TV-am has, however, eclipsed a significant change in Britain's early morning broadcasting habits. Gradually the audience is building for the soft-boiled, pullover clad magazine programme that comes equally from the transmitters of the BBC and the IBA at breakfast time.

The latest figures show that over seven days 6.9m people watched TV-am for at least eight minutes in a quarter-hour period. The total for the BBC's Breakfast Time over the five days it broadcasts was 5.2m.

Mr Ron Neil, founding editor of the BBC's Breakfast Time, believes that on slightly less strict criteria 8m to 9m watch his programme sometime in the week.

"That seems to me to justify the existence of a television service in the morning," he says. Round out the figures a bit, he argues, and Breakfast Time costs £1 per viewer a year.

This year Mr Neil hopes to get permission to extend his programme from 9.15 to 9.30 to match TV-am and gradually introduce perhaps two or three more serious items each day.

Greg Dyke, like Mr Neil, has plans to take TV-am ever so gradually up-market to try to achieve on weekdays what David Frost has managed on Sundays—reach the male audience.

Mr Dyke is in serious talks with an independent producer to start a daily business news slot.

As it enters its second year, TV-am has not yet entirely put its lurid past totally behind it. A book due out in April has the title Treachery.

Two years ago Mr Peter Jay, the founding chairman, had no doubts. Newspapers were obsolescent and breakfast television was one of the least risky propositions ever undertaken, he told the Financial Times.

It may take another two years to prove whether Mr Jay was right and TV-am can flourish as a stand-alone operation.

FINANCIAL TIMES

Tuesday January 31 1984

John Wyles in Brussels examines a conspiracy theory

Surprise milk bill confuses UK rebate row

AT LEAST two obstacles obstruct early payment of a $600m rebate on Britain's 1983 EEC budget contributions, but the weekend's "storm in a milk churn" over the allegedly illegal administration of the UK dairy industry is not one of them.

Sig Carlo Facini, the European Commission's financial controller, was, according to his colleagues, bloodied but unbowed yesterday after leakage of his recommendation that Britain should be forced to repay Ecu 755.6m ($606.4m) of EEC money, which, he alleges, improperly supported UK dairy production in 1978 and 1979.

With Mrs Margaret Thatcher, the British Prime Minister, still struggling to prise out of the Community an Ecu 750m rebate agreed at the Stuttgart summit last June, the similarity of the amounts inflamed some suspicions that somebody somewhere was determined to make sure that the rebate was never paid.

No such doubts can be attached to the Commission, which points out that it is the European Parliament that is blocking payment of the rebate until at least March 31. If it is not paid by then, everyone expects Mrs Thatcher to deduct the money from Britain's monthly contributions to the EEC. In any case, all member states have to agree the necessary regulations before the parliament can decide, and they have not yet done so.

As for Sig Facini's views on the need to reclaim the dim and distant milk payments, they are disputed both by the Commission's legal services and its agricultural directorate. The Commission itself will take a stand either tomorrow or next Wednesday and as Mr Ivor Richard, the Commissioner for Social Affairs, has already publicly predicted, it will not be the same as Sig Facini's.

As financial controller, Sig Facini has an independent responsibility for ensuring that all payments conform with EEC regulations. Since the Commission is somewhat behind on its work of certifying and "clearing" the administration of past budgets, Sig Facini's recommendations for 1978 and 1979 have only just been completed.

Having concluded that the UK Milk Marketing Board's pricing policies were in breach of regulations in those years, he has had no option but to urge recovery of all payments made to the UK's dairy sector in those two years.

He has made similar "take-back" recommendations affecting other member states in past years and has subsequently been overruled by the Commission. He will not be surprised to suffer the same fate this time.

One official said yesterday that history was littered with cases of governments pocketing the EEC's cash while technically breaching regulations.

Nevertheless, the Commission has concluded that the Milk Marketing Board's policies of selling liquid milk to dairies at a lower price if the milk is destined for butter production are in breach of regulations adopted in 1979.

Although the UK body agreed to mend its ways at the end of last year, it has not done so, and the Commission started a case against Britain at the European Court last week.

The effect has been to encourage disposal of British butter on the British market rather than in sales for storage. That has helped the British Government's cash flow, since the Treasury has to finance intervention purchases, which are only subsequently reimbursed by the EEC.

Mr Ivor Richard

Brendan Keenan adds from Dublin: The Irish Dairy Board has accused Mr Richard of "jingoistic partiality" because of his comments on the dispute over British milk subsidies. In a message to the Commission President, M Gaston Thorn, the Irish board said Mr Richards had prejudged the issue.

The Irish claim that the UK milk regulations are costing them millions of pounds each year and have virtually destroyed the market for Irish dairy products in Britain. The board is taking legal action against the UK on the issue.

Richard Mooney writes from London: The British Ministry of Agriculture and Milk Marketing Board were continuing to keep low profiles on the issue yesterday.

"The possibility of disallowing the expenditure doesn't arise," said a ministry official. Only part of the total contravened EEC rules, but the Brussels accountants seemed to be implying that the rest was "guilty by association." He would not estimate what proportion of the total 1978–79 payment was illegal.

The board denied that its two-tier pricing policy for bulk and packet butter amounted to cross-subsidisation. The price differential reflected the greater costs involved in producing packet butter, a board spokesman said.

CGT calls for protest on Paris policies

By David Hous‑go in Paris

FRANCE'S Comn‑ ist-led CGT union has issued its ‑ ongest condemnation so far of ‑ e Government's proposals for restructuring ailing sectors of French industry and called for "mass" trades union action to get them changed.

M Henri Krasucki, the CGT leader, said in a broadcast statement that "unbelievable attacks" were being made on workers' rights and "exorbitant privileges" granted to employers.

His comments covered the Government's plans for creating new "industrial reconversion zones" where unions fear that existing labour and social legislation will be relaxed to encourage new investment.

He accused the "employers" of trying to turn the clock back decades in terms of social policy and of pursuing goals that would accelerate industrial decline while increasing unemployment. In current Communist Party jargon, the term "employer" has become a synonym for the Government.

M Krasucki said his union would not accept today what it had rejected in the past from previous administrations and employers' organisations. The time had come, he said, "to sound the alarm... and for mass trade union action, well timed and led."

M Krasucki clearly intended that his remarks should influence the forthcoming round of ministerial meetings to discuss the future of the steel and coal sectors.

They were also timed to have an impact on yesterday's ministerial meeting called to discuss the proposed "reconversions" or "free zones."

The Government, reacting to trade union hostility to press leaks, indicated yesterday that there would be no going back on past social legislation in the new zones.

The Government's intention is that the zones should be established in areas such as Lorraine, the Vosges, Ardennes, Montluçon, Dunkerque and the Nord-Pas de Calais, which are suffering the worst redundancies.

Small and medium-sized companies would be encouraged to set up new activities through fresh financial incentives. The Government, which sees measures as part of a new offensive to create more jobs, intends that the zones should be co-operative ventures between employers, the regional authorities and the unions.

Other ideas, such as the two-year retraining programmes proposed for the redundant by M Pierre Mauroy, the Prime Minister, would also be tried in the zones.

EEC asks Japan to suspend duties on manufactured imports

BY JUREK MARTIN IN TOKYO

THE EEC has proposed that Japan "suspend" import duties on manufactured goods for an indefinite period to reduce its growing trade surplus with the Community.

The suggestion was in a letter sent by Herr Wilhelm Haferkampf, the EEC vice-president, to Mr Hikosaburo Okonogi, the Minister of International Trade and Industry.

It is expected to form a basis for talks in Florida this week when the trade ministers of Japan, the EEC, the U.S. and Canada meet in their next round of regularly scheduled talks.

Herr Haferkampf's letter also suggests three other ways in which Japan could increase imports, all raised at previous meetings. They are that:

- Japan advance by a full three years, and not, as currently planned, by one or two years, scheduled tariff cuts agreed in the Tokyo Round trade negotiations concluded in 1979. Japan is phasing in tariff cuts on a yearly basis up to January 1 1987, when the cuts will be complete.
- It sets specific targets for higher imports; and,
- It reviews its national distribution system, often said to be a barrier to foreign goods.

EEC officials in Tokyo noted that the last two points were alluded to by the Japanese Prime Minister, Mr Yasuhiro Nakasone, when the most recent Japanese measures designed to stimulate imports were announced last October 25.

No immediate, official Japanese reaction was available. It is considered likely, however, that Japan will produce another economic "package" in the late spring, drawing together the disparate stands of commercial and financial modifications it is known to be considering.

Herr Haferkampf is understood to have pointed out that precedent does exist for temporarily suspending import duties. He cited the case of West Germany, which in the 1960s had recourse several times to such action when its trade surplus was assuming embarrassing proportions.

Last year, according to Japanese figures released by its Ministry of Finance, Japan sold to the EEC $10.4bn more goods than it bought, roughly a 10 per cent larger surplus than in 1982. The EEC's own calculations put its deficit with Japan at nearer $12bn.

Japan's overall trade surplus in this fiscal year, which ends in March, will probably be about $34bn and the Government believes that is unlikely to contract in the 1984 fiscal year.

Japan is holding out the hope that, as domestic demand continues to grow, imports should expand faster than exports – by 8.8 per cent, against 6.8 per cent, according to the budget estimates.

A feeling seems to exist among Community officials that Japan's constant trade negotiations with the U.S. are relegating the Community to even more of a back seat than it customarily occupies.

The Community wants to change that perception before the Florida meeting, which will feature bilateral and quadrilateral discussions.

Telecom pact agreed by Japan, U.S.

Continued from Page 1

more advanced equipment and also because of the spin-offs they see, from R and D involvement in a company which is one of the most advanced in the world in this field.

The agreement appears to have fallen short of U.S. hopes since the Japanese have not agreed to remove the prohibition on the sale of U.S. satellites to Japan, which wants to develop its own.

Further talks to try and tackle other trade issues are planned, including a visit to Washington shortly by Mr Shinjiro Yamamura, the Japanese Agriculture Minister, which is expected to focus on longstanding U.S. complaints about the quotas Japan imposes on U.S. beef and citrus exports.

During Mr Abe's visit which has included sessions with President Ronald Reagan, Mr George Shultz, the Secretary of State, and Mr Caspar Weinberger, the Defence Secretary, Japanese officials have been emphasising their Government's desire to make progress on trade issues at a time when the forthcoming presidential election is contributing to growing calls from several industries for greater protection in the U.S. The U.S. is also concerned that the relationship with Japan should not become a "political football" in the run up to the election.

Trafalgar House may take over shipyard

BY IAN HARGREAVES AND PETER RIDDELL IN LONDON

TRAFALGAR HOUSE, the building, property and shipping group, seems close to clinching a cost-free takeover of Scott Lithgow, the Lower Clyde shipyard which faces closure following the cancellation of an £88m drilling rig order for Britoil.

Mrs Margaret Thatcher, the Prime Minister, and Mr Norman Tebbit, Trade and Industry Secretary, have already agreed in principle that the terms of the deal should be sweetened with funds from the regional aid budget.

Trafalgar confirmed that it had been approached by British Shipbuilders, Scott Lithgow's parent company, about a possible deal.

"We have investigated the possibility of our taking over the yard and completing the Britoil contract. We are currently engaged in talks," the company said.

Although no further details were available, British Shipbuilders and Trafalgar House should be ready to put forward a firm, joint proposal to Government within 10 days.

The terms envisage a free transfer of the yard's assets, which BS considers to have little more than scrap value. It is possible that the deal will take the form of a lease rather than an outright sale.

Although ministers said in a debate on Scott Lithgow in Parliament last week they would not intervene financially, they have changed their minds in the light of an offer from the private sector, which they see as saving 4,250 jobs in a politically sensitive part of Scotland. The intervention would also, it is argued, preserve an important British facility in the offshore industry.

A debate on shipbuilding is due to take place in the House of Commons tomorrow.

Ministers will also have to decide how much to pressure Britoil to go along with the deal. The oil company has been arguing that it cannot be expected to keep the rig contract in a yard with a problem-ridden past and under management inexperienced in the building of such a complex vessel.

British Shipbuilders is suing Britoil over the decision to cancel the rig contract and Britoil has told Trafalgar it can not possibly talk about transferring the order until this matter is settled.

British Shipbuilders' position is that it will co-operate in any deal which does not cost it more cash than the closure of the yard – Scott Lithgow made a trading loss of $66m last year. It has also offered to make available to Trafalgar any management needed to help complete the rig.

The deal would fit in with Trafalgar's aggressive expansion of its steel fabrication interests and its North Sea oil activities.

Cheysson to visit Libya for Chad talks

By David Marsh in Paris

FRANCE last night launched a diplomatic offensive to secure peace in Chad with the announcement that M Claude Cheysson, the Foreign Minister, will hold talks in Libya at the end of this week.

The visit to Tripoli, which supports anti-government rebels who shot down a French fighter in Chad and killed its pilot last week, will form the delicate highlight of a three-nation trip starting tomorrow, which will also take M Cheysson to N'Djamena, the Chad capital, and Addis Ababa.

M Cheysson's dispatch to Africa follows Friday's French action in extending northwards by more than 100 km the "peace demarcation line" running from east to west across the strife-torn central African country.

French troops and airborne forces were yesterday patrolling the new buffer zone, which divides the country between the relatively populous Government-held south and the rebel-occupied desert regions of the north.

But the Ministry of Defence made clear that the main "front line" of French troops – who have been in Chad since last August to support the N'Djamena Government – remained the previous demarcation strip linking the townships of Salal and Arada.

M Cheysson's African trip is being labelled by the Paris Government as an extension of diplomatic efforts started last summer to bring a pan-African peace solution to Chad. The Addis Ababa Government currently holds the presidency of the Organisation of African Unity.

Belgrade plans fallback if IMF talks fail

By Aleksandr Lebl in Belgrade and Anthony Robinson in London

AS YUGOSLAVIA prepares for next week's third and probably final round of negotiations with the International Monetary Fund (IMF) for a new standby credit, Mr Zvone Dragan, the Deputy Prime Minister, has admitted the existence of a fallback plan to be imposed if the IMF talks fail.

Speaking on Radio Belgrade, Mr Dragan said this so-called "black variant" would involve a sharp drop in production income and consumption, attempts to switch trade away from developed industrial countries, and other stringent economy measures.

The next round of IMF talks is expected to start in Belgrade on February 8. The two sides will attempt to reconcile IMF proposals for higher interest rates, depreciation of the dinar, and changes to foreign exchange and credit policies, with Yugoslav fears about the political consequences.

Mr Dragan, who will meet Mr Jacques de Larosiere, IMF managing director, in Washington today, is also paving the way for the visit of Mr Mika Spiljak, the Yugoslav president.

Mr Spiljak arrives in Washington today on the first state visit since the late Marshal Tito's visit six years ago.

He will be accompanied by Mr Lazar Mojsov, the foreign minister, and will meet President Ronald Reagan and other top officials

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	12	54	Dubrovnik	S	11	52	Malaga	C	15	59	Salzburg	C	2	36
Akrotiri	S	17	63	Faro	S	14	57	Malta	F	16	61	Seoul	C	-1	30
Algiers	C	13	55	Florence	C	7	45	Manila	S	32	90	Singapore	R	29	84
Amsterdam	F	6	43	Frankfurt	C	6	43	Miami	S	26	79	Stockholm	C	0	32
Athens	S	13	55	Funchal	C	16	61	Milan	-	—	—	Strasbourg	C	6	43
Bahrain	S	18	64	Geneva	C	5	41	Moscow	S	-8	18	Sydney	S	27	81
Bangkok	S	33	91	Gibraltar	S	15	59	Munich	C	5	41	Taipei	C	18	64
Barcelona	F	3	36	Guernsey	R	7	45	Nairobi	-	—	—	Tangier	S	12	54
Beirut	S	17	63	Helsinki	Sn	-5	23	Naples	S	12	54	Tehran	-	—	—
Belgrade	C	2	36	H Kong	C	14	57	New Delhi	S	21	70	Tel Aviv	F	16	61
Berlin	R	3	37	Innsbruck	F	2	36	New York	C	1	34	Tenerife	C	18	64
Biarritz	S	12	54	Inverness	F	5	41	Nice	C	11	52	Tokyo	C	6	43
Blackpool	R	4	39	Istanbul	F	6	43	Oporto	R	9	48	Toronto	C	-1	30
Bordeaux	F	9	48	Jersey	R	6	43	Oslo	Sn	-1	30	Tunis	C	15	59
Brussels	F	6	43	Jo'burg	S	29	84	Paris	C	5	41	Valencia	S	14	57
Budapest	C	0	32	Las Palmas	F	19	66	Prague	Sn	-1	30	Venice	C	3	37
B Aires	S	32	90	Lima	S	25	77	Reykjavik	F	3	37	Vienna	D	-2	28
Cairo	S	19	66	Lisbon	C	12	54	Rio de J'o	S	38	100	Warsaw	C	-1	30
Cape Town	F	24	75	Locarno	S	3	37	Rome	S	12	54	Zurich	R	3	37
Caracas	S	28	82	London	F	7	45								
Casablanca	-	-	—	Los Angeles	S	29	84								
Copenhagen	Fg	2	36	Luxembourg	C	3	37								
Corfu	F	14	57	Madrid	C	5	41								
Dublin	R	7	45	Majorca	F	13	55								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Armco insurance sale

Continued from Page 1

stemmed from a strategic decision "to remove Armco from the insurance business." This decision resulted from changes in Armco's tax status in the wake of massive write-offs on its steelmaking and manufacturing facilities which Mr Holiday said meant that Armco "is no longer able to offset underwriting losses with tax credits."

As a result of Armco's decision to sell the insurance business, Mr Holiday also announced that Mr H. T. (Ted) Cohn, group vice-president and chief executive of Armco financial services group, and Mr William Smengo-Turner, president of the group's London-based financial services operations, had resigned.

"Since our company's strategic plan no longer coincides with their objective, these gentlemen have decided to pursue other personal interests," Mr Holiday said. "Mr Cohn will join the management and actuarial consulting firm of Tillinghurst, Nelson and Warren with emphasis on acquisitions and mergers."

The announcement that Armco planned to sell its insurance business was widely welcomed by Wall Street analysts yesterday, although they pointed out that valuing the deal was particularly difficult.

THE LEX COLUMN

A ritual rally in Hong Kong

Following an oriental tradition which some believe to date back as far as 1983, the Hong Kong stock market has been moving up sharply ahead of the Chinese New Year. Yesterday's 42.26 point rise takes the Hang Seng index to a six-month peak of 1097.63 and if it can manage another 6 points it will be at a level last seen in September 1982, when Mrs Thatcher's visit to Peking officially inaugurated the 1997 bear market.

The immediate cause of yesterday's surge was the 1-point cut in local best lending rate at the weekend. Prime is now 11½ per cent, down from 16 per cent four months ago, and linking the Hong Kong dollar to the U.S. dollar has been an unflawed success – to the extent that some of the money now coming into equities is coming from the dollar currency hedges established during last year's panic.

The high volume of Hong Kong trading is feeding hopes that the market can keep going. Yesterday's turnover of HK$500m was the equivalent of an entire week in the troughs of 1982–83.

The surge is partly based on the economy, with manufacturing turning in a record export performance and even the property sector showing signs of recovery. But the rally owes most of its vigour to the belief that Britain and China will resolve the 1997 uncertainty sooner rather than later. Betting now favours a statement in May or June, paving the way to Chinese sovereignty with a promise of autonomy.

The punters do not much mind if it is going to work, but it will be poor tribute to the public relations of London and Peking if the stock market is not given something to chew on.

Trafalgar House

Trafalgar House may or may not be planning to relaunch a bid for P & O but it is not letting the grass grow under its feet while Britain's Monopolies Commission deliberates on the matter. Less than a month after making a recommended offer for Candecca, Trafalgar is busy negotiating the purchase – or more likely the gift – of Scott Lithgow, the troubled Scottish shipyard.

It is not the first time that Trafalgar has strayed into these choppy political waters. The company retains an option to buy the RGC offshore construction yard from British Steel. Scott Lithgow, however, represents a risk of a different order and Trafalgar will presumably drive a hard bargain on closure costs, development aid and intergroup debt (not to mention the Britoil contracts).

The immediate effect on Trafalgar's balance sheet would be minimal. Scott Lithgow's assets are heavily written down and, even on a generous assumption, should represent less than 5 per cent of the group's net worth. Yet, taken together with the Candecca and RGC transactions, the deal would mark a considerable strategic shift. Broadly, Trafalgar seems to be applying the cash generated through the gradual liquidation of its commercial property portfolio to the accumulation of unfashionable energy assets. Scott Lithgow would enable the group to construct an entire offshore platform, dovetailing neatly with Trafalgar's existing steel and engineering interests. But, even given that industrial logic, it is a bold move.

Harrisons

The rolling process of Malaysianisation appears once again to be working for the benefit of shareholders in Harrisons & Crosfield. At a moment when commodity prices have been moving strongly in the planters' favour – palm oil has doubled in the last four months – it seems that Harrisons is in with a chance of selling a number of its vestigial plantation interests to its 30 per cent Malaysian associate, Harrisons Malaysian Plantations.

The aggregate market valuation of the eight London-quoted companies involved is about £61m, after yesterday's run-up, a level at which Harrisons' interest should be worth well over £20m. Cross-holdings between some of these companies keep the precise amount obscure, but Harrisons' share of Castlefield is an unencumbered £12.75m in itself.

The market drew its tentative conclusion yesterday in adding £16m to Harrisons' own capitalisation: at 825p, the company is currently worth £514m. There are risks, of course, in any deal which relies on 10 triangular negotiations – and if they all go through, Harrisons may yet find itself subscribing for shares to maintain its stake in the enlarged Malaysian company.

Hanson Trust

Hanson Trust's disclosure that it is now the proud owner of 4.58 per cent of Powell Duffryn has pandered to one of the City of London's favourite occupations – guessing what Lord Hanson will do next. It may be, of course, that the company felt obliged to disclose its interest once Powell had unearthed the true identity of a rapidly accumulating nominee holding, and the market, hard on its heels, had pushed up Powell's share price in early dealings. But, on a dull day in the equity market, that looked altogether too literal an interpretation. The favoured alternative was that Hanson, in an attempt to shake out loose holders of London Brick shares, was intimating that it might abandon one target and go for another. You pays your money and you takes your choice.

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Boeing halts downturn with $355m for year

BY WILLIAM HALL IN NEW YORK

BOEING, the giant U.S. aerospace group, pulled out of its two-year profit decline in 1983 and has posted a 21.5 per cent rise in 1983 net income to $355m.

Mr T. A. Wilson, Boeing's chairman, says that the increase in earnings was attributable to increased sales, a lower level of research, development and engineering expenses on new jet transports, and continued favourable performance on U.S. government projects. The principal offsetting factors were the "extremely competitive market environment" and a higher effective tax rate.

Net income in the fourth quarter totalled $98m, against $91m a year before. For the full year, Boeing earned $3.67 per share against $3.02

Boeing says that 1983 saw a "modest recovery in commercial jet transport orders and an increase in military business which for the fourth consecutive year recorded higher sales, earnings and backlog."

Mr Wilson said that a sustained period of airline growth and profitability will be required before orders increase substantially over the 1983 level. The market remains very competitive, which has resulted in pressure on prices and the requirement for trading in older aircraft in return for new ones, delays in taking delivery, and the substitution of smaller jet transports for the larger ones previously ordered.

Boeing sales for the full year rose 23 per cent to $11.1bn.

Last year Boeing received 151 new orders for jet transports valued at $6.4bn against 110 orders valued at $3bn in 1982. The higher dollar amount reflects the significantly higher number of 747, 757 and 767 orders in 1983.

Sales to the U.S. Government totalled $3.5bn, 9 per cent higher than the previous year. The principal contributors were the B-1B bomber, the E-3 Airborne Warning and Control System (Awacs) and the E-4 airborne command post.

At the end of 1983 Boeing had orders totalling $18bn, some $1bn lower than the year before. Of the total 1983 backlog, $12.8bn, or 71 per cent, was commercial and the remainder government business.

Continued operations rise 24% at Time

By Paul Taylor in New York

TIME, the U.S. publishing, information and entertainment group which recently spun off its forest products division, Temple-Inland, as a separate company, yesterday reported a 24 per cent increase in net earnings from continuing operations in the fourth quarter.

Time said its fourth quarter net earnings from continuing operations increased to $44.53m or 70 cents a share from $35.89m or 57 cents a share in the 1982 final quarter.

The 1983 quarter results are before $14.7m in net earnings from the divested forest products division and a net loss of $4.3m from discontinued operations. After these items Time's final net earnings for the 1983 quarter were $54.93m or 86 cents a share compared to a final net of $43.2m or 68 cents a share in the 1982 period. This included net earnings of $16.82m from Temple-Inland and a $9.49m net loss from discontinued operations. Revenues increased to $763.1m from $668.9m.

For the full year Time reported net income from continuing operations of $143.2m or $2.25 a share compared with $122.88m or $1.97 a share in 1982.

After net income of $51.7m from divested operations and a loss of $26m from discontinued operations, Time reported a final net of $168.9m or $2.65 a share compared with $153.1m or $2.45 a share in 1982 after net income of $53m and a $22.76m loss from discontinued operations. Revenues increased from $2.372bn, to $2.72bn.

Time said the results of Temple-Inland, which was divested as a separate company from January 1, have been reclassified for reporting purposes as a discontinued operation as of December 31, 1983. Discontinued operations also include losses incurred in connection with Time's subscription television business, which was closed down last year, and an adjustment to the provision for the shutdown of Time-Life Films, which was closed down in 1931.

NEW 740 GLE MODEL CLOSES IMPORTANT GAP

Volvo takes on competitors

BY KEVIN DONE, NORDIC CORRESPONDENT, IN GOTHENBURG

VOLVO, the leading automobile producer in northern Europe, yesterday launched itself into a new segment of the world high performance car market, further intensifying the competition with its chief rivals BMW, Daimler-Benz and Audi of West Germany.

It is aiming to take a growing share of the world market for sporty, high performance saloons, which it estimates at around 1.1m units this year. the new 740 GLE model closes an important gap in the Volvo range.

The Swedish industrial concern, the largest in the Nordic region, is enjoying a dramatic surge in the fortunes of its car operations, which are now generating the lion's share of group profits, and are carrying the heavily loss-making energy operations.

The volume of Volvo car sales climbed by 15 per cent last year to 365,000, compared with 318,500 in 1982. At the same time the turnover of the group's car operations jumped by 45 per cent to SKr 26.2bn ($3.23bn) helped by favourable exchange rates, higher volume output, and a shift to higher value models.

In the U.S. its biggest single market, Volvo car sales increased by 20 per cent to 87,700, in Sweden its second largest market sales rose by 7.8 per cent to 62,012, while car sales in the UK increased by 18 per cent to 61,200.

After several difficult years in the late 1970s Volvo has emerged as one of the world's most profitable car producers. Its car division generated 73 per cent of group profits in 1982 from 24 per cent of group turnover, and last year cars were responsible for an estimated 80-90 per cent of group profits of SKr 3.85bn.

The new model has been launched into one of the most lucrative and resilient sectors of the world car market and will compete with such rivals as the Mercedes Benz 190, the BMW 5-series, the Audi 100, the Saab 900 turbo and the top of the range Ford Granada.

It will reach dealers in Sweden in March and will be introduced in most other continental European markets during the spring. Volvo is aiming to produce 10,000 units of the new model by the summer. It will be launched in the UK and the U.S. during the autumn.

The new car will be powered by a 2.3 litre, four-cylinder petrol injection engine developing 129 hp. Outwardly it is a development of the exclusive top of the range 760 series, launched in 1982, from which it has taken the body and major chassis components, but the engine and transmission are derived from Volvo's volume 240 series.

Mr Dan Werbin, deputy managing director of Volvo Car, said yesterday that the group intended to carry on production of the successful 10-year-old 240 series through the rest of the 1980's. It is expected that the 240-series, Volvo's main volume car, will be replaced gradually, however, with the introduction of cheaper versions of the 740.

Volvo is currently devoting SKr 1.3bn to SKr 1.5bn a year to the development of new car models while at the same time radically upgrading its model range. A new model in its small car range, the Volvo 340/360 produced in Holland, is expected within the next two years.

Volvo is one of the world's most export-dependent car producers, with 80 per cent of sales now coming from outside its home markets of Sweden and the Netherlands.

Enskilda Securities has completed an international placement of 300,000 shares in Volvo, for a total or SKr 130m. The shares were originally issued to Mr Frederic Hamilton in part consideration for Volvo's acquisition of a stake in Hamilton Brothers Petroleum Corporation. The international placement follows a series of occasions in which Euromarket placement channels have been used for international share issues. Enskilda Securities was formed in 1982 as the London-based investment banking arm of Skandinaviska Enskilda Banken.

Texaco to sell Getty Oil outlets

By Our New York Staff

TEXACO, the U.S. oil group, plans to dispose of nearly half of Getty Oil's 4,490 service stations in an effort to clear one of the main antitrust hurdles in its $10.1bn takeover of Getty.

Texaco said on Sunday that it had agreed to transfer substantially all of Getty Oil's marketing activities in the north-eastern and middle Atlantic regions of the U.S. to Power Test Corporation, a small independent petroleum marketing company.

The sale covers 600 of the 970 stations owned or leased by Getty in the region. In addition, Power Test has agreed to assume contractual obligations to supply another 1,300 additional Getty franchised stations. For the year ended December 31, 1983, the Getty operation to be transferred to Power Test had revenues of $1.4bn.

The cost of the deal is around $90m and will be consumated only when Texaco has received clearance to take over Getty Oil.

Texaco has agreed to assist in supplying Power Test's petroleum product requirements for the acquired properties by selling up to 22m barrels a year of petrol and 11m barrels a year of middle distillate petroleum products for a three-year period after the sale.

● **Phillips Petroleum**, the Oklahoma-based integrated oil and gas company, boosted fourth-quarter net profits from $155m or $1.01 a share to $247m or $1.61. However, the 1983 figures include a non-recurring gain of $36m, against a $53m loss in 1982, leaving the underlying performance virtually unchanged.

For the year, Phillips lifted net earnings from $646m or $4.23 a share to $721m or $4.71. Revenues slipped from $15.9bn to $15.5bn, with $4.15bn ($4.06bn) coming in the latest quarter.

● **Standard Oil Company (Indiana)**, the Illinois-based integrated oil company, plans to cut its workforce by about 3,000 or 5 per cent this year. The cuts would come through natural wastage and early retirement.

The company said the cuts were part of a company-wide cost reduction drive.

United Technologies affected by gains

BY TERRY DODSWORTH IN NEW YORK

UNITED Technologies, the broadly based U.S. military equipment and technology group, reported a 4.6 per cent fall in net profits last year from $533.7m, or $8.74 a share, to $509.2m, or $7.94 a share.

The company added, however, that the results were affected by two extraordinary non-recurring gains in 1982 worth a total of $107m. Adjusted for the impact of these figures, net profits rose by 19 per cent from $426.9m in 1982.

Mr Harry Gray, chairman and chief executive, said the group's performance had been achieved in the face of lower aircraft engine shipments and unfavourable foreign exchange rates. It attested to the "stability and the balance we have achieved through diversification over the past decade."

In the current year, Mr Gray expected the military aircraft engine business to decline, but he said that this should be more than offset by recovery in North American commercial and industrial businesses, while the sale of helicopters, electronic systems and other military equipment "looked promising."

Sales last year amounted to $14.7bn against $13.6bn. In the fourth quarter revenue rose by 10 per cent from $3.5bn to $3.9bn, while earnings rose by 19 per cent

Owens-Illinois stages $70m recovery

BY OUR FINANCIAL STAFF

A TURNROUND of more than $70m in the fourth quarter enabled Owens-Illinois, the largest U.S. glass container maker, to recoup some lost ground and finish 1983 with net earnings of $69.1m, or $2.48 a share. This compares with $90.7m or $3.18 for the previous year, when there was a $51m gain from an accounting change.

In the last three months of 1983 there was a recovery to a net profit of $38.7m, or $1.39, against a $5.6m loss in the third quarter and a $31.8m loss a year earlier. Sales for the quarter fell to $814.8m from $887.7m, leaving the year's total down at $3.42bn from $3.55bn.

The company expects to show substantially increased earnings in 1984 on the back of a strong recovery in the U.S. economy and the strengthing of its basic markets.

Earnings before rationalisation adjustments and disposals in the fourth quarter were up from $5.4m to $19.6m.

The loss in the third quarter arose from $28m provisions caused by the extensive reorganisation of the group's international operations.

American Brands ahead

BY OUR NEW YORK STAFF

AMERICAN Brands, the fourth largest U.S. tobacco company, and the owner of Gallaher in the UK, reported record net profits of $390m last year, despite a much higher tax charge and the unfavourable effects of the slide in the pound.

Earnings were up by 2.4 per cent from $381m, or $6.55 a share, to $390m, or $6.76 a share, while sales rose by 9 per cent from $6.5bn to $7.1bn. The tax charge, however, was up by a little over 18 per cent to $340m and the company added that if the exchange rate for sterling had remained constant, net income would have been up by 6 per cent, the equivalent of an additional $14m, or 26 cents a share.

In the fourth quarter, earnings rose to $104m, or $1.81 per share, against $103.8m, or $1.80 a share in 1982, despite a 20 per cent increase in the tax charge.

Mr Edward Whittemore, chairman, said that Gallaher, which makes Benson and Hedges and Silk Cut brands, had a "superb year."

Revised result for Kaiser Aluminum

By Our Financial Staff

KAISER Aluminum, the third largest U.S. aluminium producer, has revised its profits figures for the fourth-quarter and full year of 1983 to reflect a provision for a $4.2m after-tax loss on standby letters of credit.

The letters were issued on behalf of a third party but for the account of Kaiser International, a wholly owned subsidiary. The revised figure for fourth-quarter net earnings is $42m or 97 cents a share against a loss of $123.4m in the same period of 1982. For the year, Kaiser had a net loss of $74.9m, against $115m loss in 1982.

Petrofina payout up after earnings rise

BY PAUL CHEESERIGHT IN BRUSSELS

PETROFINA, the Belgian oil and chemicals group, reports strong profits progress and plans to offer shareholders a scrip issue and an increased dividend.

Group net profits for 1983 rose from BFr 12.1bn ($245m) to BFr 14.1bn, an advance of 16.5 per cent, which compares with profits growth on average of 13.5 per cent over the past 15 years.

The scrip is to a one-for-ten, and the new shares will qualify for the 1983 dividend, which is going up to BFr 300 a share from the BFr 295 paid for 1982.

At the same time the group will pay for shareholders the withholding tax on the dividend, which has been raised to 25 from 20 per cent.

The combination of the slightly higher net dividend, in cash terms, and the distribution of dividend-bearing bonus shares brings the payout generously into line with that expected by analysts.

The steady rise in Petrofina income – an average of 13.5 per cent a year for the last 15 years – allied to the groups size on the Brussels Bourse has traditionally made the shares one of the most heavily traded. At BFr 6,900 yesterday, it was near the top of its 1983–84 trading range.

The group, the sixth largest oil group in Europe, attributed the rise in income, not to the strengthening of the dollar in which a large proportion of its earnings are denominated, But to:

● Improved average profitability of marketing in Europe.

● Successful management of refineries that compensated for the decrease of profit margins – the group's tactics here have been to emphasise the upgrading of crude oil by producing more petrol and distillates

● The limitation of financial charges – probably helped by the sale of Petrofina Canada for C$350m (U.S.$280m), with the funds raised being partly used to repay debts.

Perstorp gains in first four months

BY DAVID BROWN IN STOCKHOLM

PERSTORP, the Swedish chemicals groups, increased profits, after depreciation and financial items but before allocation and taxes, from Skr 75m to SKr 100m ($12.2m) for the first four months of its 1983-84 business year.

Group sales were ahead by 17 per cent to SKr 980m, but costs increased by almost the same amount. Operating profits, at SKr 107m, were only SKr 4m ahead of the results achieved a year earlier.

Perstorp raised SKr 205m last year with two share issues aimed at institutional investors in the UK and U.S. The new cash has had a positive effect on net financial costs, which fell by SKr 21m to SKr 7m.

Mr Karl-Erik Sahlberg, chief executive, said foreign subsidiaries had contributed a greater share to total group earnings.

Despite a sales decline of 36 per cent in the Brazilian operations, earnings were termed satisfactory. Inflation and a devaluation contributed to the decline, which was not as severe in volume terms, he said.

The decline in volume was offset by higher sales and earnings chiefly in the U.S. and UK markets.

Pierce Chemical, acquired in the U.S. last year, yielded "good profits" from its production of special chemicals and materials for biomedical research. Sales in the Pernovo unit climbed 51 per cent to SKr 112m.

The chemicals division – producing chiefly formaldehyde, polyalcohol and resin – had 26 per cent higher sales at SKr 490m. Two agreements for licensed production of formaldehyde in Indonesia were concluded during the autumn. A further agreement for marketing the Isodorb wound healing agent in Spain was also signed.

Sales in the components division – producing laminates and plastic components – climbed 17 per cent to SKr 310m. Investment virtually doubled to SKr 52m for the first four months, and the financial position is described as strong.

REFINING AND DISTRIBUTION LOSSES HALVED

Elf stays at top of French profits league

BY DAVID MARSH IN PARIS

ELF AQUITAINE, the French state-controlled oil and chemicals group, yesterday said net consolidated profits last year were similar to the FFr 3.5bn ($406m) registered for 1982, maintaining the company's position as the most profitable in France.

M Michel Pecqueur, Elf's new chairman, who took over from M Albin Chalandon last June, said the results marked a clear increase in Elf's profitability, as the 1982 surplus was boosted by exceptional receipts of FFr 1.6bn in repayment of debts from Iran.

Last year's profit was registered on group turnover of FFr 135bn, up sharply from FFr 115bn in 1982. The rise resulted mainly from the incorporation in mid-year of large slices of chemical operations formerly belonging to France's nationalised Pechiney group. Those were transferred under the Government's chemical industry reorganisation.

M Pecqueur announced last year's "positive" results after weeks of controversy over the group's role in France's "oil sniffer" affair. During the late 1970s Elf transferred abroad FFr 500m to finance oil prospecting using an electronic method drawn up by foreign "inventors" which later turned out to be based on a fraud.

The new chairman, who took over after M Chalandon was dismissed by the Government in a row over the chemical industry restructuring, declared that the prowess of the group should be judged on the basis of its overall financial results and exploration activities rather than on a "limited" event which, "although painful, belongs in the past."

He made clear that last year's underlying profits improvement was due chiefly to a fall of roughly half in losses incurred by its refining and distribution business.

Showing the financial improvement, cash flow last year (including base chemicals, but after deducting exploration charges) rose to FFr 14bn from FFr 11.3bn in 1982.

Investments were maintained at around FFr 15bn. M Pecqueur cited as an example of continuing international confidence in the group – in spite of the "sniffer" affair – the results of the latest round of Norwegian North Sea oil block allocations. Announced last Friday they gave Elf an 8 per cent exploration share in the "Diamond" offshore block. The only other non-Norwegian companies given allocations were Esso and West Germany's Deminex.

The "economic loss" in the refining and distribution area, based on comparisons of unchanged stocks, fell from more than FFr 4bn in 1982 to around FFr 2.2bn last year, M Pecqueur said.

Elf lost around FFr 310m in refining last year as a result of the insufficient application by the Government of a price-fixing formula intended to pass on as higher petrol prices the effect of the surge in the dollar.

The Government had announced that the formula would be modified to allow a full link between the rate of the dollar and petrol prices as from February, M Pecqueur said. But that alone would clearly not be enough to stem losses in this sector.

Another loss-making area was the group's basic chemicals activities, swollen by the takeover of the Pechiney operations. Elf, which is now France's biggest chemical company, has set up a subsidiary, Atochem, to group those activities, for which the Government has set a target for return to profit of 1985–86.

After the drawing up of a restructuring plan that will entail job cuts of 2,300 over the next few years, M Pecqueur said the profits target seemed realistic.

After the absorption of chemicals jobs as part of the industry reorganisation, Elf now has 44,000 employees in non-oil activities, against 31,000 in its traditional mainline oil business. He said it would be impossible to allow one part of the group to go on making "chronic deficits."

M Pecqueur said the chemical sector lost around FFr 400m last year because French price controls kept chemical prices below international levels. That would be partly remedied by new regulations coming into effect in February bringing French prices up to European levels.

In its mainline crude-oil business, Elf benefited last year from the rise of the dollar against the franc, as that more than compensated for the international fall in the oil price. The group extended its oil supply diversification last year and now produces oil and/or gas in 15 countries, with Colombia added to the list in 1983.

A cloud, however, continued over its U.S. operations. Including its small American crude-oil business, its speciality chemicals operations and the Texasgulf phosphate fertiliser business, Elf's U.S. performance was only just in the black last year. M Pecqueur said, however, that he hoped Texasgulf would improve "clearly" in 1984 as a result of better conditions on the U.S. fertilisers market.

INTERNATIONAL APPOINTMENTS

Worldwide head for Warner Home Video

WARNER HOME VIDEO, the Warner Communications company, has appointed Mr Warren Lieberfarb to head its operations worldwide as executive vice-president and general manager. Before joining Warner, he was senior vice-president of Lorimar Productions, responsible for advertising and publicity as well as network and ancillary market sales.

He was appointed vice-president marketing of Warner Home Video in 1982, from which position he was promoted to vice president and general manager of U.S. operations, the position he currently holds.

● Oppenheimer, the U.S. investment company, has appointed Mr Francis H. M. Kelly as director of research, executive vice-president and a member of executive committee. Mr Kelly was a director, senior vice-president and chairman of the investment policy committee at Dean Witter Reynolds.

● Mr Ronald J. Gidwitz, president and member of the board of directors of Helene Curtis Industries, has been appointed a public director of the Chicago Board of Trade. He has been appointed to a three-year term, beginning on February 1. He will serve as one of three non-member public directors called for by the rules and regulations of the Board of Trade.

● Mr Harold J. Meyerman has been named executive vice-president and manager of First Interstate Bank of California's international division. Formerly senior vice-president and group head, Europe for Bankers' Trust corporate department, based in London, Mr Meyerman has been responsible for multinational and other corporate business in Europe, including global insurance and shipping.

● Dr Claus Braestrup has been appointed vice-president in charge of Novo's pharmaceuticals research and development from March 19. Since 1976 he has collaborated and held a part-time appointment with the Danish pharmaceutical company, Ferrosan. He has published an extensive range of scientific papers, including articles on receptors of the central nervous system and their sensitivity to drugs. Dr Braestrup will also join Novo's corporate research council.

● Mr John M. Lindsey has been elected senior vice-president, legal and corporate affairs, of Pan American World Airways. He succeeds Mr Jerome E. Hyman, who served temporarily as senior vice-president and general counsel. He will return to the law firm of Cleary, Gottlieb, Steen and Hamilton, where he is a senior partner. Mr Lindsey was senior vice-president, administration and legal, at Southeast Bank in Miami, and corporate secretary for Southeast Banking Corp.

● Citibank has appointed Mr Francis d'Souza, vice-president, as treasurer for the bank in Bahrain. He was previously treasury head in the United Arab Emirates. Mr Kalayan Thapa takes over as treasurer for Citibank in the Emirates, based in Dubai. Both appointments are from February 1.

● Mr Joe Freeman Jr, president and chief executive officer of AM International, plans to retire. He will continue as a consultant, and will be replaced by Mr Merle Banta, who was on the company's board and was also president of Leisure Group. AM International filed for bankruptcy under Chapter 11 in April 1982.

● United Technologies has made five senior appointments at two operating units. Mr Joe R. Phillips moves up from executive vice-president to president of Pratt and Whitney's government products division in West Palm Beach, Florida. Mr James G. O'Connor becomes executive vice-president of the government products division. He had been senior vice-president, F100 programmes. Mr Morris A. Zipkin becomes senior vice-president programmes for the government products division. Mr Anthony D. Autorino advances from president to chairman and chief executive officer of United Technologies building systems company in Farmington, Connecticut. Mr Frank W. McAbee Jr, president of Pratt and Whitney's government products division since 1979, has been named president and chief operating officer of United Technologies building systems company.

● Park Tower Realty has appointed Mrs Veronica W. Hackett as senior vice-president to direct the company's leasing and financing activities. She joined the New York-based property development company after nine years with Chemical Bank. Her most recent position with Chemical was senior vice-president real estate services division.

● Euro-clear operations centre in Brussels has promoted Mr Rene Vanguestaine to vice-president and Mr Peter J. Crouch, Mr Martine Dinne and Mr Jacques-Philippe Marson to assistant vice-presidents.

Strong first half for Malayan Banking

By Wong Sulong in Kuala Lumpur

MALAYAN BANKING, Malaysia's second largest banking group, has reported a strong performance for the half year to December, with after-tax profits rising by 34 per cent to 50.6m ringgit (U.S.$ 21.7m).

The bulk of the profits came from the parent bank, the earnings of which rose by 20 per cent to 37.3m ringgit, but percentage-wise, its subsidiaries, Kwong Yik Bank, Aseambankers, Malayan Finance Corporation and Mayban-Phoenix Assurances, turned in bigger increases.

Group total deposits rose by a hefty 47 per cent to over 9bn ringgit, while loans and advances rose 37 per cent to 8bn ringgit.

Aseambankers, the merchant bank, is now a 50.5 per cent owned subsidiary, rather than an associate, and its year end has been aligned to that of the group, giving rise to an additional profit of 1.35m ringgit.

During the period, Malayan Banking opened eight more branches, bringing its branch network to 181, while the Hamburg representative office was upgraded into a full branch.

The interim divided is unchanged at 8 cents, and the bank expects second-half earnings to be as good as those for the first.

● Cold Storage Holdings of the UK is to restructure its Malaysian operations in line with the Government's New Economic Policy by selling a majority stake to the Malays.

The deal comes in two parts. First, Cold Storage Malaysia (CSM), a subsidiary of Cold Storage Holdings (CSH), will buy Fima Supermarkets, which is 70 per cent held by CSH and 30 per cent by Fima, a Malaysian Government agency.

CSM will issue 24m new shares to CSH and Fima, thereby increasing CSM's capital to 49m shares of one ringgit each.

Following this, CSH and Fima will sell to Pradaz, a Malay company, 25 per cent and 4.6 per cent respectively of their CSM shares for 44.4m ringgit in cash.

CSH will end upholding 42.5 per cent of CSM, with the remaining equity held by Pradaz (29.6 per cent), Fima (10 per cent) and Malaysian and Singapore Investors (17.9 per cent).

Selwyn Parker on the financial services plans of an insurance major

Transformation at NZ South British

NEW ZEALAND South British, the biggest private general insurance company in Australasia, is planning to launch a full range of financial services similar to Merrill Lynch and Prudential Bache.

The transformation of NZ South British, which still relies on its general insurance division for 70 per cent of its revenue, into an aggressive, market-led financial services operation will start this year. "We are probably the best-positioned of any company in New Zealand to provide these services," said Mr Reg Clough, the company's public affairs manager. NZ South British has assets of NZ$1.4bn (US$909m).

The company has already dipped its toe in these profitable waters by adding on a variety of insurance packages to holders of its Diners Card, which is 81 per cent-owned by NZ South British in New Zealand. According to Mr David Chalmers, the chief executive, there will be a lot of cross-selling between divisions as the company evaluates consumers' needs. (It also underwrites "for very considerable amounts" Westpac's house and contents insurance package in Australia.)

He told senior managers last year: "The most successful companies are those which analyse their markets and design their products accordingly—the message is segment, segment, segment."

At first NZ South British will offer its tailor-made bundle of financial packages within its own existing offices in Australia, New Zealand, Asia, and the Pacific. Further afield in North America it will enter into joint ventures.

It has already taken steps to strengthen its financial services vehicles in Australia and Asia. Following lobbying on its behalf by Sir Robert Muldoon, the Prime Minister, the Australian Foreign Investment Review Board allowed before Christmas NZ South British to raise from 50 per cent to 70 per cent its stake in Kimberley-NZI Finance, its Australian finance company. Though a relatively small finance company, Kimberley has increased its assets in the past two years from A$14.5m to A$55.4m and shifted from its West Australian base into the eastern States.

Change of direction

The company also spent what is understood to be NZ $5m to buy back from the Hong Kong and Shanghai Bank in March a 24.5 per cent share in its NZI Finance.

The company's change of direction—"just in time," says one senior executive—follows a total and painful shake-up of objectives and of management following the merger with NZ Insurance in 1981. Mr Chalmers said the merger cost more money and time than had been expected.

Out of the blend of two conservative insurance companies, both over a century old, has emerged a new corporate structure of more or less autonomous divisions. Each has a budget and a target return on shareholders' funds. "Accountability has been built in," explains Mr Clough. "The aim was to drive management decisions downwards, to have decisions made as close as possible to the action."

After several poor years the general insurance division came under particularly tough scrutiny. The entire underwriting portfolio was rationalised and bad risks thrown out. Though NZ South British is committed to rapid diversification, the general insurance division, which has NZ$208m in shareholders' funds and annual revenues of NZ$467m, still forms such a big contribution to total revenue that even a small improvement in underwriting performance makes a big difference to the bottom-line.

The new divisions, like the Paxus information service, which spent nearly NZ$10m in 1983 on buying up hardware and computer software companies, and investment services which managed group revenue so successfully that the market value of unrealised investments jumped by nearly NZ$50m in the first six months of the 1983-84 financial year, are the fastest-growing ones. But the general insurance improvement heavily boosted half-year post-tax earnings of over NZ$21m—an annualised rate of 16.20 per cent on shareholders' funds.

Its traditionally cautious reinsurance policy helped NZ South British survive the shake-out in that market over the last two years but it plans to expand its reinsurance underwriting "with due care and prudence."

Formidable resources

The company suffered heavily in 1982-83 from Cyclone Oscar, which left it with NZ$24m in claims in Fiji where it was the most-exposed insurer, and with the Australian bushfires (A$15m gross, reduced to A$5m through reinsurance). According to Mr Chalmers, those losses delayed the results of the merger which should have come through last year.

Barring further underwriting losses, the formidable resources of NZ South British should make it a major force in the financial services area. Until last year the group's share price was depressed, but brokers, who approve of the restructuring, now recommend NZ South British. About the only crimp in the company's performance in the past six months has been exchange rate losses of NZ$3.6m largely because of weakening of the Hong Kong dollar and other Asian currencies.

Porsche will wait to choose U.S. partner

BY RUPERT CORNWELL IN BONN

PORSCHE, the West German sports car manufacturer, has no new partner in mind for its U.S. sales, following its decision to break off its import and distribution agreement of 15 years with Volkswagen of America.

This was made clear yesterday in Stuttgart by a spokesman for the company, which is owned by the Porsche and Piech families.

But a fuller statement on future plans of Porsche, and on reasons for the split, will only be made later this week. The break takes effect when the current agreement with VW expires on August 31.

The move coincides with the best-ever performance by Porsche in the U.S., its most important export market. Sales shot up by 51.5 per cent last year to 21,850 units, bringing the total sold through the joint Audi and Porsche sales network of Volkswagen of America since 1969 to 250,000.

The decision will be a big disappointment for VW, which suffered a drop of almost 7 per cent in American sales in 1983. It now plans to set up a separate subsidiary to handle sales of cars produced by Audi, a division of the West German parent. VW aims to boost sales of Audis in the US to 61,000 from 48,000 last year.

Saga looks for NKr 70m profit

BY FAY GJESTER IN OSLO

SAGA PETROLEUM, the independent Norwegian oil company, expects to make a profit, after year-end allocations, of about NKr 70m ($8.9m) on its operations in 1983, according to managing director Mr Asbjørn Larsen. This compares with a NKr 53m loss in 1982.

Mr Larsen said the company had received NKr 150m extraordinary income last year from the sale of its interests in projects in Guatemala and in the UK North Sea.

He said that these sales and recent capital expansion had strengthened the company's financial base.

A group of international banks is due to sign a $600m loan agreement with Saga on February 16. This will provide the funds for its share of planned exploration and development projects. Mr Larsen forecast, however, that the company would tap the market for additional equity.

Production from Norway's Gullfaks field, in which Saga has a stake, is due to start in 1987. This would enable the company to pay its first dividend to shareholders in 1988, Mr Larsen predicted.

He also forecast that by 1985 Saga would have around 700 employees, compared with only 400 at present.

Signs of revival in KD bond market

By Margaret Hughes
Recently in Kuwait

THE KUWAITI dinar bond market is slowly coming back to life and even foreign borrowers are once again discreetly tapping the market.

Over the past three months there have been two domestic public issues and at least three private placements by foreign borrowers. In November Charbonnages de France (a previous borrower in the market) and Dow Chemical raised KD 7m ($23.8m) and KD 5m respectively. The C de F issue carried a coupon of 11¼ per cent with a 1988 maturity while the Dow Chemical bond was placed with a coupon of 11½ per cent for the same five-year life.

More recently a private placement of KD 7m carrying a coupon of 10¾ per cent is understood to have been arranged for Citicorp. For all three issues the lead managed was Kuwait International Investment (KIIC).

Although both the C de F and Dow Chemical bonds are traded in the secondary market, a market is not expected to be made for the Citicorp issue. It is believed that private placements have been arranged for other foreign borrowers over the past few months, though these have not been traded in the secondary market.

After being closed down in late 1979, when dollar interest rates squeezed domestic liquidity, the market was re-opened in 1980 under more restrictive guidelines. Eighteen new issues worth KD 114m were announced in the following 18 months, but the market has been moribund since the summer of 1982 when the Souq al Manakh unofficial stock market collapsed. This undermined confidence in dinar bonds along with everything else.

At current interest rate levels raising funds through a Kuwaiti dinar bond issue is cheaper than borrowing in dollars yet it provides funds in a stable currency linked, as the dinar is, to the dollar through a basket of currencies heavily weighted towards the dollar.

For the investor the yields on dinar bonds, at between 9½ and 10 per cent, are some 250 to 350 basis points higher than on dinar bank deposits.

Investors in KD bonds are primarily institutional. The private investor, who does not have access to money at or close to interbank rates, would find his cost of funds higher than the yields offered.

An indication of the level of interest from investors, who with the stagnation of the domestic economy are finding it increasingly difficult to find investment outlets, was the response to the domestic issue announced earlier this month for Industrial Bank of Kuwait. Despite carrying the lowest coupon since 1980—9½ per cent—this issue was more than four times oversubscribed

However, despite the upturn in activity in both primary and secondary market, it seems unlikely that the window will be fully opened to foreign borrowers in the foreseeable future.

Sheikh Ali Al Khalifa Al Sabah, the Finance Minister, said that while he was keen to encourage domestic borrowers, he would "not be very happy" for the market to be re-opened to foreign borrowers. In his view the only exceptions would be those undertaking government contracts with receivables in dinars, or governments needing dinars in their currency portfolios (presumably recipients of Kuwaiti aid or soft loans). Even then, he said, the borrowing would need to be "at a very slow pace and under strict guidelines." However, the Minister will not interfere with private placements as they do not affect the market directly.

UAE in further moves to protect bank depositors

BY OUR ABU DHABI CORRESPONDENT

BANKS in the UAE will be required to seek Central Bank approval before distributing dividends, increasing their capital, or making new share issues, and will be required to consult the Central Bank before finalising or publishing their annual accounts.

The move is the latest in the Central Bank's programme of bank supervision, aimed at conforming to international banking practice in the Emirates. Earlier directives included stringent requirements on auditing practices with the publication of accounts in the local Press being mandatory.

Bankers say the only part of the directive which is really new is the dividend requirement. It is understood that the clauses on dividends and capital increases are not intended to refer to foreign banks.

The object of the directives is seen as being the protection of depositors. Local banks are being encouraged to raise their reserves in proportion to assets rather than aiming at large dividends for shareholders, and the Central Bank is determined to prevent further shocks to the banking system in the wake of UBME's troubles.

Blue Circle South Africa down

BLUE CIRCLE, the South African cement and engineering group which is 55.1 per cent UK-owned saw turnover fall to R296m (U.S.$234m) in 1983 from R305m and pre-tax profit to R13.2m from R20.3m, reports our Johannesburg correspondent.

Cement sales held up well, but the heavy construction equipment market was highly competitive and an expected decline in interest rates failed to materialise. Interest payments advanced to R16.5m from R13.2m.

Debt has risen sharply as Blue Circle has spent R120m in the past three years on expanding its cement production capacity.

An unchanged dividend of 38.5 cents has been declared though earnings have fallen to 53.4 cents a share from 8.62 cents.

North American quarterly results

AMP

Fourth quarter	1983 $	1982 $
Revenue	417.6m	292.9m
Net profits	46.2m	26.7m
Net per share	1.29	0.74

CANADA PACKERS

Nine months	1983 C$	1982 C$
Revenue	2.38bn	2.28bn
Net profits	18.5m	15.8m
Net per share	1.53	1.32

DOMINION TEXTILE

Second quarter	1983-84 C$	1982-83 C$
Revenue	—	—
Net profits	—	—
Net per share	0.63	0.40
Six months		
Revenue	414m	381m
Net profits	10.3m	3.4m
Net per share	0.70	0.20

DUKE POWER

Fourth quarter	1983 $	1982 $
Revenue	593.1m	540.9m
Net profits	89.7m	71.1m
Net per share	0.74	0.58
Year		
Revenue	2.42bn	2.24bn
Net profits	431.3m	398.2m
Net per share	3.77	3.59

ENSERCH

Fourth quarter	1983 $	1982 $
Revenue	822.3m	913.4m
Net profits	†3.01m	21.09m
Net per share	†0.04	0.45
Year		
Revenue	3.5bn	3.79bn
Net profits	60.8m	145.6m
Net per share	1.20	2.70

† Loss

FINANCIAL CORP OF AMERICA

Fourth quarter	1983 $	1982 $
Revenue	—	—
Net profits	55.34m	7.54m
Net per share	1.18	0.33
Year		
Revenue	—	—
Net profits	172.5m	27.35m
Net per share	5.13	1.19

G. D. SEARLE

Fourth quarter	1983 $	1982 $
Revenue	284.4m	214.5m
Net profits	43.7m	44m
Net per share	0.88	0.87
Year		
Revenue	946m	727.3m
Net profits	161.2m	140.4m
Net per share	3.04	2.77

GERBER

Third quarter	1983-84 $	1982-83 $
Revenue	192.8m	166m
Net profits	11.54m	8.57m
Net per share	0.56	0.64
Nine months		
Revenue	576.5m	529m
Net profits	37.21m	33.04m
Net per share	2.72	2.10

GULF CANADA

Fourth quarter	1983 C$	1982 C$
Revenue	1.4bn	1.22bn
Net profits	43m	44m
Net per share	0.19	0.19
Year		
Revenue	5.16bn	4.95bn
Net profits	218m	201m
Net per share	0.96	0.88

IMPERIAL OIL

Fourth quarter	1983 C$	1982 C$
Revenue	2.45bn	2.27bn
Op. profits	108m	69m
Op. per share	0.66	0.44
Year		
Revenue	9.03bn	8.62bn
Op. profits	332m	289m
Op. per share	2.09	1.84

INGERSOLL-RAND

Fourth quarter	1983 $	1982 $
Revenue	589.3m	658.3m
Net profits	†83.1m	4m
Net per share	†4.26	0.13
Year		
Revenue	2.27bn	2.77bn
Net profits	†112.2m	52.3m
Net per share	5.94	2.36

† Loss

LIBBEY-OWENS-FORD

Fourth quarter	1983 $	1982 $
Revenue	308.6m	248.7m
Net profits	19.6m	1.6m
Net per share	1.39	0.04
Year		
Revenue	1.17bn	1.06bn
Net profits	40.4m	19m
Net per share	3.18	1.01

LOUISIANA LAND AND EXPLORATION

Fourth quarter	1983 $	1982 $
Revenue	375.4m	331.2m
Net profits	18.9m	23.2m
Net per share	0.60	0.81
Year		
Revenue	1.29bn	1.3bn
Net profits	84.0m	78.3m
Net per share	2.65	2.01

Vibroplant recovers and lifts interim

A SUBSTANTIAL recovery has been made by **Vibroplant** in the half year ended September 30 1983 and the current six months are expected to provide a contribution to profits despite problems in VI Leisure. The directors are forecasting a higher dividend for the year.

For the first half turnover moved ahead from £7.49m to £10.63m, and profit advanced from £328,000 to £1.32m. This reflects an increase in demand for plant hire and the elimination of losses from Leisure, and pulls the group back to the level of profits enjoyed in the late 1970s.

Turnover in plant hire was up 26 per cent to £9.1m and profits reached £1.31m, against £906,000, while Leisure traded at a small surplus, compared with a loss of £578,000. Leisure makes video juke boxes for clubs and pubs.

The directors report that since September Vibroplant has continued to trade satisfactorily and should be able to report hire figures for the second half in line with last year. With regard to Leisure, the agreed level of orders from London and Liverpool Trust has not materialised; as a result Leisure may incur significant losses in the second half which are at present difficult to quantify.

Despite the latter the directors are confident that there will be an overall contribution to group profit from the second half, and that steps being taken will be successful in preventing further Leisure losses beyond the end of the financial year.

The interim dividend is lifted from 2.625p to 3p net, and the directors expect to recommend a final of not less than 5p compared with 4.6375p. In each of the three years to March 31 1982 the company paid a dividend total of 14.525p.

After tax £688,000 (£55,000) and minorities £859 (credit £13,000), the net attributable profit came out at £634,000 (£286,000). Earnings are 10.56p (4.76p) and the interim cost is £132,000 (£115,500) after waivers of £48,000 (£42,000).

HIGHLIGHTS

Lex looks at the discussions between Trafalgar House and Scott Lithgow, the ship repair yard, and what the former's strategy may be in this approach before turning to consider an equalling surprising purchase of just under 5 per cent—in Powell Duffryn by Hanson Trust. The column then looks at the moves to transform the plantation sector. Finally Lex comments upon the Hong Kong property market. Elsewhere the Arthur Bell-Gleneagles battle roles on while Bell acquires a U.S. distributor, and an unexpected deal of the day was gas appliance group, Valor, taking a 29.9 per cent holding in Dreamland. Back onto company news, Vibroplant is making a recovery but in the same breath issuing warnings about the second half, while TV South surprised the analysts with a £5¼m swing into the black.

● comment

In an attempt to find a counter cyclical profits centre to construction equipment plant hire Vibroplant's controlling Pilkington family embarked upon diversification into video juke boxes. Yet rather than providing a new line of profits the directors have been fighting off a veritable disaster. The venture made a small profit in these figures for the first time, after some £1¾m of red ink splashed over the last couple of years. The directors' assertion that the loss is down to £750,000 or so after tax relief is neither here nor there. Did they go into juke-boxes to run up a tax efficient loss? The link with London and Liverpool has just compounded the problems. They had hoped for 3,000 units to be sold. That may have seemed optimistic with hindsight but perhaps deserving more than the 300 actually sold. Now the second half will see trading losses of £250,000 plus, perhaps, whopping write-downs on £350,000 of stock. Construction equipment should make a profit of £900,000 in the second half though video could punch a great hole in that. The 6.8 per cent yield is a small prop at 170p. Even with a thin market the price seems to be held up by invisible threads.

TV South £4.46m in its first full year

IN ITS first full year of broadcasting, **Television South** has made a pre-tax profit of £4.46m, compared with a loss of £1.1m. However, the figures are not comparable. The 1982 result, which was for a 17-month period, was restated and included only 10 months of broadcasting.

Turnover during the year to October 31 1983, improved by almost 60 per cent to £81.44m, compared with £52.61m. However, in line with this improvement, other charges have increased, the largest being the group's subscription towards the cost of Channel 4 which is £9.78m higher at £13.61m.

The Exchequer Levy for the year was £2.35m (£1.43m) and tax climbed to £1.43m (£69,000). The interest charge was £171,000 lower at £971,000.

In his statement, Lord Boston, the chairman, reports that advertising revenue increased by 23 per cent over the period and all available advertising time continues to be fully sold.

A first dividend of 2p a share is being recommended. Earnings per share rose from 7.6p to 11.32p—the company's shares are traded on the Unlisted Securities Market.

● comment

TV South's £5.5m swing into the black was rather better than the City had expected, so the non-voting shares rose 10p to 100p on the results. Advertising revenue increased by 5 percentage points ahead of the national average to £76.7m, while programme sales rose from £1.5m to £4m. Meanwhile, the move into the new Maidenhead studios has allowed measurable cost savings. Advertisers appear to have been attracted by TVS's split into two sub-regions, which has led to a quadrupling in local advertising revenue. The newly developed afternoon viewing slot has also provided an uplift to billings, while the fact that TVS has a higher share of top socio-economic classes in its region has made its advertisers major beneficiaries of the upturn in consumer spending. In the current year, the increase in TV South's channel four subscription should tail off a little, but will still be way ahead of revenue from that source. After a downward blip in December, advertising revenue has picked up strongly, indicating a pre-tax out-turn for the year of perhaps £5.5m. That puts the shares on a multiple of 6.4, assuming a 32 per cent tax charge.

Newman-Tonks advances to £3.46m for 15 months

FOR THE 15 months ended October 31 1983 **Newman-Tonks Group**, metal hardware manufacturer, turned in taxable profits of £3.46m, compared with £2.71m for the previous year, on turnover of £61.87m against £47.12m. Profits and turnover for the 12 months up to July 31 last were £2.83m and £49.39m respectively.

As forecast, there is a final dividend of 1.275p per share which lifts the total to 6.375p net for the 15 months (5.1p).

In October the directors said that the August to October quarter was traditionally the least profitable, but indications were that figures would be better than budget.

Pre-tax figure for the full period included £669,000 earned by Monarch Hardware and Manufacturing, of the U.S., acquired in August 1982, less £400,000 for financing charges and group market development costs in the U.S. Group profits also included 15 months' contribution of £707,000 (£589,000) in respect of Jeavons Engineering, merged with last March.

Group operating profits amounted to £4.7m, against £3.67m, and the pre-tax figure was after interest, up from £621,000 to £842,000, and losses from discontinued activities, £403,000 (£338,000).

Tax charge was £927,000, compared with £406,000, and the attributable balance came through little changed at £1.98m (£1.94m) after minorities, £18,000 (£60,000), extraordinary debits £426,000 (nil), and ACT irrecoverable £103,000 (£305,000).

On a nil distribution basis earnings per 25p share were 10.31p (9.2p) and 9.89p (7.95p) on a net basis.

Extraordinary items for the 15 months comprised £464,000 redundancy, severance and removal costs on relocation of activities; £294,000 closure costs of discontinued activities; £47,000 merger expenses, less tax thereon of £379,000.

● comment

With a full year's results at Newman-Tonks already in the can, yesterday's 15-month figures add little to the overall picture, especially as the autumn quarter is traditionally the leanest time of the year. What can be said, however, is that last year's evidence of a small marketplace recovery in engineering and hardware seems to have consolidated itself. Even if this apparent upturn peters out, the company is still well positioned to benefit from the rationalisation and reorganisation of the past two years, the costs of which are now historical. Assuming the optimistic alternative on a modest scale, at least £4m pre-tax should be possible along with a small dividend increase. On this basis the shares, at 89p, up 2p, are selling on a prospective p/e of less than 8 (low tax charge), while the yield is over 8.5 per cent—hardly a demanding rating for a company which is now on an even keel.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Harvey & Thompson‡ int	1.5	—	—	—	1.5
Newman-Tonks	1.28¶	Mar 10	3.45	6.38¶	5.1
Nova (Jersey) Knit	1	April 2	2.5	—	4
Ruo Estates	5	April 6	4	7	4
Stock Conversion ...int	2	Mar 26	1.75	—	4.75
Textured Jersey ...int	1.75	April 2	1.75	—	4
TV South	2‡	Mar 28	—	2	—
Vibroplant ...int	3	Mar 9	2.83	—	7.26

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 15 months.

Gable House set to 'comfortably exceed' £0.5m

At the annual meeting of **Gable House Properties** shareholders were told that pre-tax profits for the year to June 30, 1984 would "comfortably exceed" the prospectus forecast of £500,000.

In a statement last December with the preliminary results for 1982/83, showing profits up from £60,000 to £310,000 at the pre-tax level, the directors were confident that figures for the current year would exceed the forecast—the company's shares are traded on the USM.

Referring to Park Saint James, the meeting was told that the company had now accepted an offer of £700,000 for the complete sixth floor of the scheme, and assuming this agreement proceeded satisfactorily through legal implementation, this brought total pre-sales to £2.32m.

Shareholders were informed that the proposed letting of College House, St Albans, had proceeded satisfactorily and Hirshfields had been instructed to carry out a re-valuation of the completed investment. The expected re-valuation surplus would be reflected in the 1984 accounts.

Nova Knit reorganisation benefits coming through

FOR the six months ended September 30 1983 profit of **Nova (Jersey) Knit** has fallen from £250,000 to £85,000, which, the directors claim, is in line with expectations. They are cutting the interim dividend from 2.5p to 1p net.

However, management accounts for the following three months indicate that the economies of scale expected following the agreement with W. E. Saxby (Nottingham) "have been achieved and the decline in profits reversed."

In a reorganisation of its dyeing and finishing operation, last summer the company transferred its machinery from South Wales to Saxby's factory in Nottingham. In the half year reorganisation costs of £381,000 are being charged below the line, against £832,000 a year ago for similar costs in the knitting division.

Tax for the period absorbs £13,000 (£32,000) to leave the net profit at £72,000 (£218,000), and earnings at 2.38p (7.22p). Turnover was £4.44m (£3.23m).

For the year 1982-83 profit fell from £703,000 to £429,000 before reorganisation costs, and the dividend was cut from 5.5p to 4p.

Textured Jersey ahead midway to £193,000

INCREASED PRE-TAX profits were achieved by **Textured Jersey** for the opening half despite the outbreak of a serious fire at a factory at Corby. Profits rose from £151,000 to £193,000 for the six months to the end of October 1983.

While it is inevitable that sales for the year will be seriously affected by the aftermath of the fire, the directors say that sales and profits will comfortably exceed levels achieved last year, when full-year pre-tax profits fell to £308,000 (£645,000)

First half turnover of this knitted jersey manufacturer came to £6.66m (£5.3m).

The net interim dividend has been held at 1.75p—in the last full year a total of 4p was paid.

Operating profits rose from £377,000 to £452,000, from which depreciation took £250,000 (£250,000) and interest £9,000 (same). Tax amounted to £48,000 (£14,000).

Surge halftime for Harvey & Thompson

As indicated at the annual meeting, pre-tax profits of **Harvey & Thompson**, pawnbroker, have shown a "marked increase" with six-month figures up from £32,000 to £187,000 to December 31 1983. For the whole of the previous year profits were £162,000.

Mr R. A. Galliers-Pratt, chairman, says there has been a satisfactory increase in the company's loan book during the period which should lead to a further increase in profits during the second six months.

Turnover of this USM concern advanced from £472,000 to £676,000.

The chairman adds that in view of the "continued progress" of Harvey, the directors are paying an interim dividend of 1.5p—last year's single, final payment, was 1.5p.

Trading profits amounted to £246,000 (£77,000) and profits were after interest of £59,000, against £45,000. Tax took £30,000 (£1,000) and after an extraordinary credit, last time, of £18,000, the attributable balance came through ahead from £49,000 to £157,000. Earnings per 20p share were 4.99p (0.97p).

The company's new shop in Birmingham got off to a good start

Renwick Group reduced to £722,000 at halfway stage

A REDUCTION in pre-tax profits from £766,000 to £722,000 has been shown by **Renwick Group** for the first half to the end of September 1983. Turnover of this Paignton, Devon, based travel agent, boat builder and international coal trader slipped from £39.14m to £37.61m.

The directors say that turnover and profits from international coal trading were substantially lower than in the first half of the previous year but are expected to recover in the current quarter.

At the end of the last full year the directors said that signs of a start to economic recovery would assist in achieving improved levels of profitability.

Commenting on the period under review they say that both marine projects and travel benefitted from an improvement in demand. Marine projects continue to suffer low profit margins they say, but additional production facilities currently being established are expected to permit better margins through improved productivity.

Tax for the first half came to £125,000 compared with £48,000, and earnings per 25p share of this close company, which is a subsidiary of Kangra International Holdings, were down from 6.43p to 5.35p.

The directors say that in their last annual report they had said that the company's financial year would in future finish at the end of February. A further alteration to the end of December will now take place, in order to match a change in the year end of the ultimate holding company.

Commercial Bank of Wales pre-tax rise

Following an increase from £402,000 to £625,000 at the halfway stage, pre-tax profits of unquoted banking company **Commercial Bank of Wales** finished 1983 ahead at £1.33m, compared with £716,000.

However, after a tax charge of £463,000, compared with a £624,000 credit, the net figure was well down at £868,000, against £1.34m previously.

The directors say that the tax credit, last time reflected the release of deferred tax previously provided in respect of leased assets.

They add that the provision of 25 per cent of potential tax liability in respect of such transactions continues to be maintained.

Group business increased significantly during the year with improvements in profitability of both banking and consumer credit facilities.

Before interest, group profits were £7.65m, compared with £8m, and the dividend is increased from 6p to 7.5p.

Last August directors said that the second half of the year was expected to be much in line with the first, with perhaps some small improvement in both the group's banking and instalment credit profits.

They added that there was little "hard evidence" of growing industrial activity, although when it arrived demand for finance was expected to be heavy as cash flow created by destocking and lower activity had been absorbed in financing losses and exceptional items by many businesses.

The directors intend to apply for a listing of the company's ordinary shares as soon as formalities can be completed.

Platignum concludes its programme of change

THE board of **Platignum**, the Stevenage manufacturer of writing instruments and plastic mouldings, yesterday announced the three concluding phases of the re-organisation programme, which started in April, 1982.

The company has finalised arrangements for the purchase of the freehold of its Stevenage site, and simultaneously has exchanged contracts for the staged sale of the Stevenage freehold—subject to shareholders' approval at the annual meeting—for factory and office development.

Platignum will also be moving its writing instrument manufacturing facility to a new purpose-built factory of 45,000 sq ft in Royston, Hertfordshire. This is expected to be fully operational immediately after Easter. The Platignum plastics division will remain, for the time being, at Stevenage.

Mr David Leeming, the managing director, says the past 18 months have seen "dramatic changes and developments." The product range has been completely re-designed and the company's management entirely re-structured.

Now, the company will not only have the most modern writing instrument plant in the world, with the latest systems and machinery, but also, the proceeds from the sale of the freehold will finally lead to the elimination of the company's bank interest commitments.

Priest Marians

Priest Marians Holdings, property investment company, returned pre-tax profits of £1,596 for the 10 months to December, 31, 1983, compared with losses of £26,734 for the preceding 10 months.

The figures were after deducting gross interest of £12,517 (£12,112), general expenses and pensions of £9,355 (£8,394), property expenses of £13,832 (£12,453) and adding in realised investment gains of £12,266 (£17,999 losses).

Net assets at December 31, 1983 were approximately £170,000, including investments at market value of £160,000 (cost £133,000).

Fleming Overseas

Improved net revenue of £1.56m against £1.41m has been shown for the half year to the end of 1983 by **Fleming Overseas Investment Trust**. Net asset value per 25p share came to 366.1p against 277.4p—at the end of last June the figure was 338p.

Gross income came to £3.06m (£2.63m) from which expenses and interest took £196,000 (£177,000). Tax came to £1.31m (£1.05m), and earnings per share came through ahead from 3.16p to 3.49p.

CIL advances

In the 1983 CIL, the Canadian arm of Imperial Chemical Industries, advanced its net operating income from C$15.1m to C$23.9m, equal to $1.36 (82 cents) per share.

The figures reflect a recovery in the paints, plastics, and specialty chemicals business. But industrial chemicals, explosives and mining equipment remained depressed, and margins in farm chemicals were tight. Sales totalled $1.1bn, against $1.06bn.

The drectors are expecting a further recovery in 1984 but point out that businesses serving the resource industries, particularly mining and metals, may not improve much until the second half.

BIDS AND DEALS

First half £0.9m rise for Stock Conversion

PRE-TAX profits of Stock Conversion and Investment Trust rose by £851,000 to £7.75m for the six months ended September 30, 1983 and the interim dividend is being lifted by 0.25p to 2p net per 25p share.

The amount of final will be determined in the light of the full year result and the circumstances prevailing—a total distribution of 4.75p was paid previously.

Group profits for the opening half improved from £5.56m to £6.04m, and included dealing profits of £18,000, compared with £139,000. Associates added £366,000 more at £1.71m.

Tax accounted for £3.84m, against £3.65m, and minorities rose from £175,000 to £194,000.

At the attributable level, profits emerged £652,000 ahead at £3.72m after taking in extraordinary credits of £595,000 (£30,000), being the surplus over valuation on investment property disposals.

Earnings came through at 7.11p (5.87p) per share — the company's business is property investment, development and dealing and also includes investment in securities and insurance broking.

Macanie defers stock exchange

Because of the possibility of adverse tax affects, **Macanie (London)** has adjourned the meetings called to approve the exchange of stocks with Courtaulds, its parent company. The directors are awaiting clarification of the position.

The meetings were fixed for yesterday to consider exchanging £100 of Macanie's 7½ per cent unsecured stock 1986-91 and 7½ per cent unsecured loan stock 1986-1991 for £112.50 and £111 respectively of Courtaulds' 7½ per cent unsecured loan stock 1994-96.

The directors explain that recently published draft tax legislation could lead to the classification of the stock being offered in exchange as a "deep discount issue." If such legislation was implemented in its present form, there could be adverse tax consequences to certain categories of investor who could be liable to income or corporation tax on gains arising from the disposal or redemption of the Courtaulds stock.

Assurances have been sought from the Inland Revenue that such treatment would not be applied in the circumstances of these proposals, but these have not been forthcoming.

Ruo Estates

On turnover that was up by less than 50 per cent, **Ruo Estate Holdings** managed to double its pre-tax profit for the year ended June 30 1983.

Turnover for the year was £2.88m (£2.01m), while pre-tax profit increased by £746,000 to £1.42m. There was a tax charge of £751,000 (£364,000) leaving earnings per share at 49p (22.6p).

A final dividend of 5p (4p) has been declared, making a total of 7p (4p).

Steetley

Steetley intends to build a 50m brick capacity works on a site in North Staffordshire, producing simulated hand-made bricks. Completion is for 1985, will set high standards of energy efficiency.

The plant, costing £11m, follows the construction of a new brickmaking plant at Todhills, Bishop Auckland, completed in July 1983 and the rebuilding now in progress of a clay roofing tile plant at Keele, North Staffordshire.

KANSALLIS-OSAKE-PANKKI
US$100,000,000
Floating Rate Capital Notes 1992

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the first Interest Period has been fixed at 10⅛ per cent per annum. The Coupon amount will be US$257.34 for the US$5,000 denomination and US$12,867.19 for the US$250,000 denomination and will be payable on 1st August 1984 against the surrender of Coupon No. 1.

Manufacturer Hanover Limited
Agent Bank

H & C £20m Malaysian sale talks

BY DAVID DODWELL

Harrison & Crosfield, the plantations, chemicals and timber group, has begun talks which may lead to the sale of stakes—held directly or indirectly—in 10 Malaysian plantations companies. The deals could be worth more than £20m for Harrisons.

The move is aimed at further strengthening local control of Malaysian plantations companies which were once part of the Harrisons & Crosfields group in Malaysia.

It follows directly from the sale to Permodalan Nasional Berhad, Malaysia's national investment agency, of its controlling stake in Harrisons Malaysian Plantations (HMP) in September 1982. That deal earned Harrisons & Crosfield about £146m.

HMP revealed in Kuala Lumpur that it had begun talks with its one-time parent on a bid for the ten plantations companies. Payment would be in the form of both cash and shares.

The companies were Castlefield (Klang) Rubber Estate, Holyrood Rubber, Kuala Selangor Rubber, Sogomana Group, Kinta Kellas Rubber Estates, Sungrei Bahru Rubber Estates, Doranakande Rubber Estates and Malaysia Rubber—all quoted on the London Stock Exchange—and two unlisted companies, Edensor Rubber Estate, and Nalek Rubber Estate.

Harrisons and Crosfield has direct or indirect stakes in all of these companies. Two are simply holding companies, without plantation interests—Doranakande and Malaysia Rubber. Sogomana is an independent company in which Harrisons and Crosfield nevertheless holds a stake. HMP acts as managing agent for all of the companies.

Share values in several of the companies leapt yesterday—Sogomana by 85p to 600p, Castlefield by 65p to 850p, Doranakande by 25p to 195p, Kinta Kellas by 30p to 280p, Holyrood by £8 to £43, and Kuala Selangor by 50p to 500p.

The aggregate value of the companies, in terms of market capitalisation, is about £61.15m. However, substantial cross-holdings means the true market capitalisation is lower.

Mr Tom Prentice, Harrisons chairman said in London yesterday that discussions on a price for each of the compaines have yet to take place. HMP is likely to pursue talks with each company separately.

It is understood that no deals are likely to be completed before the middle of Spring. Mr Prentice, nevertheless, suggested yesterday that Harrisons expected to emerge from the deals with at least £20m. He could not disclose whether Harrisons would maintain any interest in the companies HMP sought to buy.

In September 1982, Harrisons sold 58 per cent of the shares in what was then Harrisons Malaysian Estates to Permodalan. It has retained a 30.3 per cent stake.

Malaysian financial circles say the rubber companies concerned have recently updated their valuation, and huge surpluses have been thrown up considering that many of them have land which are ripe for property development.

HMP is now Malaysia's largest plantation group with nearly 230,000 acres, following the M$195m cash (£57.1m) takeover of Barlow Plantations last April.

HMP has a paid-up of M$356m, and a current market capitalisation of nearly M$2bn.

Caparo aid for Brockhouse

BY DAVID DODWELL

MR SWAJ PAUL'S **Caparo Group** revealed yesterday that it has offered to inject £5m of new share capital into **Brockhouse**, loss-making Birmingham-based engineering transport and building materials group, in a deal which would give Caparo effective control of the group.

Caparo has held a 17 per cent stake in Brockhouse for more than a year. The £5m share injection—of 20m shares at a par value of 25p—would boost Caparo's stake to almost 62 per cent. Brockhouse's shares slipped by 5½p to 32p on the news, while Caparo's shares improved by 6p to 43p. The Takeover Panel indicated yesterday that, subject to shareholder aproval, it would be prepared to allow the deal to go through.

Mr Reg Parkes, chairman of Brockhouse, said yesterday that he had not had the opportunity to see Caparo's proposals in detail and was therefore not in a position either to recommend or contest the terms.

He told shareholders at Brockhouse's annual meeting that while current trading was "up to expectations," cash flow in the UK had "fallen short" of the projections drawn up in September last year. That was the date Brockhouse renegotiated its loan limits with its bankers.

Mr Parkes said that overseas sales, which account for about 30 per cent of sales, remained buoyant, while in the UK, which accounted for most of the company's losses, performance was "in line with targets."

Losses for the year to September 30 1983 were £682,000, compared with £1.57m in 1982. Turnover expanded to £66m from £63.9m over the same period.

Sabrelance queries SB board support

Sabrelance, the licensed dealer in securities acting for Chelsea Football and Athletic Company, has questioned whether the entire board of **SB Property** is in support of a bid by **Marler Estates**.

The move follows the legal action launched by the Chelsea Football Club last Friday in which it gained an injunction against SB, and its board, preventing the transfer of shares in the property company until at least tomorrow.

Under a proposed deal SB had agreed to sell to Marler Estates for £1.25m if options are taken up with Marler's Jersey-based associate, Blade. Blade, long connected with Marler, a quoted property company, is a discretionary trust incorporated in the Isle of Man.

Sabrelance claimed yesterday that one director of SB Property, Sir Richard Attenborough, had not been asked to consider and approve the contents of the circular letter sent by Strauss Turnbull on behalf of Marler Estates to SB shareholders nor had the director been present at any board meeting at which it was proposed to recommend the offer to shareholders.

Sabrelance said that the circular letter contained a responsibility statement made by all the directors of SB "and a recommendation from the board of SB to the company's shareholders to accept the offer from Marler." It added that no mention is made in the circular letter that the director "has not approved the contents or the recommendation itself."

Sabrelance has requested clarification from Strauss Turnbull. If the whole board has not approved the circular, then, Sabrelance has suggested, it should be withdrawn.

Bell in £12m U.S. expansion

BY DAVID DODWELL

Arthur Bell, Scotch whisky distiller, has agreed to acquire **Wellington Importers** to act as its distributor in the U.S., in a deal worth $16.5m (£11.7m).

Wellington, based at Lake Success in New York, imports wines and spirits into the U.S., and owns the brand names Barbella and Boucheron. Bell said yesterday that the company would expand its own product range as well as distribute Bell's products in the U.S.

The deal is to be funded in part by a $12m seven-year loan facility in New York, and in part from Bell's own resources. It comes just a week after Distillers, another Scotch whisky manufacturer, revealed it was negotiating to acquire Somerset Importers in a deal which could be worth more than £200m.

Mr Ray Miquel, Bell's chairman, said yesterday that sales to the U.S. accounted for a "negligible" share of Arthur Bell's £37m export orders last year.

Over the past decade, Bell's has shifted from Heublein Inc, which distributes Schmirnoff in the U.S., to Jim Beam, and finally to Monsieur Henri Wines in its search for an effective distribution operation in the U.S.

The arrangement with Monsieur Henri, which is a subsidiary of Pepsico International, ended in September and has been allowed to lapse.

Mr Miquel said Bell's were keen to develop Wellington, and that fresh appointments to the company could be expected. Bell's plans to spend $2m on advertising in the U.S., in 1984.

Bell's are close to succeeding in a hotly contested £27m bid for control of the **Gleneagles Hotel** group, the privately owned Scottish hotels group which was acquired from British Rail by 17 institutional shareholders in 1981.

Valor lifts Dreamland stake

BY CHARLES BATCHELOR

Valor, the manufacturer of gas heaters and cookers, has acquired a further 5.3m shares of **Dreamland Electrical Company**, the electric blanket maker, taking its holding to 29.9 per cent.

Mr Michael Montague, Valor chairman, said: "We are looking at spreading further into the electrical market and this block of shares was an opportunity."

The gas appliance group bought the shares from Grovewood Securities, a subsidiary of the Eagle Star insurance group, for 25p each. Valor previously held 900,000 Dreamland shares.

Dreamland's shares rose 10p to 29p, a new 1983/84 high, while Valor was unchanged at 126p.

Mr Chris Kraushar, managing director of Dreamland, said: "Valor bought its original holding in our shares in May last year. At that time we had preliminary discussions.

"I could not comment on whether or not there might be a bid. We will look at any situation as it develops in the interests of our shareholders."

Dreamland's profits fell in 1980 and the company made a pre-tax loss of £251,000 in 1981 before recovering to a small profit of £56,000 in 1982. In the first nine months of 1983 it recorded a pre-tax profit of £294,000, against a loss of £251,000 in the comparable period.

Share stakes

Futura Holdings — Gedma Investments hold 40,105 ordinary (5.33 per cent).

Howden Group — Director J. D. H. Hume has sold 30,000 ordinary.

English Association Group — Following its offers for Rosedimond Investment Trust becoming unconditional, the company has been notified of the following interests in its enlarged capital: E. D. & F. Man 4,825,558 shares (27.92 per cent); United Kingdom Temperance and General Provident Institution 2,105,734 shares (12.18 per cent); and Clabir International NV 869,700 shares (5.03 per cent).

W. Canning—Britannic Assurance has reduced its interest by 100,000 ordinary to 1.35m (9.99 per cent).

Property Security Investment Trust — Director A. R. Perry has an interest in a further 371,608 ordinary, lifting his total interests to 1,860,760 ordinary and 21,011 preference.

The General Electric Company — The non-beneficial interests of director M. Lester have been reduced by 2,854,385 ordinary and £76,300 floating rate unsecured capital notes 1986, by virtue of his retirement as trustee on certain trusts on which the securities are held.

Maynards defence forecast

Maynards, the North London sweet, toy and retail newsagents group, currently fighting off a partial bid worth £6.3m from former supermarket chief Mr Lew Cartier, has forecast a total 1984 dividend of not less than 10.5p against 9.75p last time.

In a letter to shareholders Maynards said that in the sweetmaking field it had launched 12 new products over the past two years and improved the presentation of many lines.

Maynards listed other recent achievements as the gaining of the exclusive UK distributorship for the Royal Norwegian Confectionery Company; increases in export sales and of "own label" products to major UK retailers; and manufacturing improvements which have been attained through a 23 per cent reduction in the workforce.

The Zodiac Toys division is extending four shops and negotiating the purchase of three new ones in a move which will add 11,600 sq ft of sales area to the existing 111,000 sq ft by June 1984.

Maynards expects to open between six and eight new stores of 2,500-3,000 sq ft in the year beginning July 1984, it said.

Mr Robert Ramsdale, chairman, said in his letter that the board remains opposed to Mr Cartier's 250p cash offer, even if he extended it to the entire ordinary capital. It is currently for 51.8 per cent of the equity. Mr Cartier is also offering 100p cash for the preference shares.

Maynards rejected Mr Cartier's claim that it held too high stocks and that the expected number of rent reviews due on its properties were out of the ordinary.

It defended its policy of selling off its newsagents shops on a piecemeal basis. Fifty-eight shops have been sold over the past two years and a further 40 have been placed for sale with agents.

Discussions have already begun on the sale of these shops at a price which would produce a substantial surplus over asset value and the goodwill element is expected to significantly exceed associated redundancy costs, Maynards said.

Mr Cartier said in response to the letter that he had calculated redundancy and closure costs for the newsagents shops division at £1.75m with another £700,000-worth of tax liabilities.

He claimed he had found a "blue chip" English company interested in acquiring the shops in a single purchase.

Maynards shares were unchanged at 245p yesterday.

BIDS AND DEALS IN BRIEF

In a deal worth over £3.3m in cash the **Ladbroke Group** has taken over a luxury apartment development at Hyde Park Square, London, with a 99-year leasehold interest.

This latest residential development by London & Leeds, one of the property divisions of the Ladbroke Group, and begun by Lovell Homes, is scheduled for completion in August this year.

The 13 apartments, facing Hyde Park, will be the group's most luxurious to date with the completed penthouse valued at £750,000—a similar price to that achieved at the group's recently completed "Terraces" development at St John's Wood.

London & Leeds will also complete luxury apartments at 100 Piccadilly and at the Savoy Hotel in August.

Mr Ernest Sheavills, London & Leed's assistant managing director, says demand by U.S., Far East and Middle East purchasers for high-quality homes in London's most exclusive areas is stronger than ever.

* * *

Downs Surgical, manufacturer and supplier of surgical instruments, called for the suspension of its shares yesterday, "pending an announcement." The suspension price of 38½p values the group at £5.8m.

* * *

Kaiser Aluminum and Chemical Corporation's share quotation on the London Stock Exchange has been cancelled at the company's request.

Kaiser requested the cancellation because only a small volume of trading in its shares took place in London.

London dealers will deal in Kaiser shares under Rule 163 4 (a) covering shares whose principal market lies outside Britain and Ireland.

* * *

Western Galvanizers, a subsidiary of Balfour Beatty, a ing the galvanizing plant and stock of **Painter Brothers**, a subsidiary of Balfour Beatty, a BICC company, for about £850,000.

The galvanizing unit of PBL carries out hot dip galvanizing of structural steelwork for Balfour Beatty and generally for the trade.

Western will buy the assets, worth about £850,000, and Balfour will then buy 25 per cent of the capital of Western. Ash & Lacy and Balfour will provide the finance for Western on a 75 per cent/25 per cent basis. The net cost to Ash & Lacy (and the total net cost to BICC) will be about £636,000 cash.

* * *

MY Dart has acquired the business, order book and certain assets of **Saxon Cycle and Motor Company**, manufacturer of darts, dart games and related sports equipment. The consideration will not exceed £175,000 cash.

MY Dart has also acquired with immediate effect the licence and brand name of the Dunlop product Swingball.

It is anticipated that the manufacture of these products, which is being transferred to existing MY factories in Barnet and Maryport respectively, will add £800,000 to group turnover.

* * *

Following the completion of various legal formalities the transfer has taken place to **Lloyd's Bank**, of certain parts of the commercial banking business and the whole of the investment banking business of Schroder, **Munchmeyer Hengst and Co.**

* * *

The offer by **Grand Metropolitan Investments** for the preference capital of **Grand Metropolitan Hotels (Scotland)** has been extended to February 10. Acceptances have been received in respect of 89.9 per cent of the capital. The offer has not been declared unconditional.

* * *

At an EGM of **Sandhurst Marketing** a resolution was passed approving the issue of 2m 8 per cent partly-convertible cumulative redeemable preference shares of £1 each to the ICFC division of Investors in Industry (3i) and Equity Capital Trustee, a subsidiary of Equity Capital for Industry. Accordingly, completion of the issue and of the agreement for a £2m long term loan facility from 3i has now taken place.

* * *

Acceptances of the offers by **Slough Estates** for **Allnatt London Properties** and the shares in **Guildhall Property**, not owned by Allnatt, have been received in respect of 39,277,064 (98.19 per cent) in Allnatt, and 3,544,459 (58.11 per cent) in Guildhall, making the total in Guildhall 97.45 per cent.

Offers have been declared unconditional as to acceptances and will remain open until further notice.

* * *

Yorkshire Chemicals is acquiring the leather fatliquor manufacturing division of **Ellis Jones and Co** as from February 1.

Ellis will relinquish its contacts with the leather industry in order to concentrate on developing its other interests.

* * *

The reduction of the capital of **Unilever**, by the cancellation of 24.89m shares, became effective on January 27, on which date the authorised capital was restored to its previous amount.

* * *

Norwegian partners in **Hunting Surveys A/S**, a newly registered Norwegian company, are to take a controlling interest in the company which is at present held by **Hunting Surveys** of the UK. The company will be renamed.

* * *

The directors of **Twinlock** have decided to redeem all the outstanding 15 per cent (formerly 12 per cent) unsecured loan stock 1976-99 at a premium of 6 per cent of its par value, together with accrued interest on April 30 1984. Thus on each nominal £100 of stock there will be paid £110.36 net.

Notice of Redemption

Continental Telephone International Finance Corporation

5½% Guaranteed Debentures Due 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of March 1, 1968 under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, for redemption on March 1, 1984, through the operation of the sinking fund provided for in said Indenture, $471,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000. PRINCIPAL AMOUNT OUTSTANDING

M25	874	2030	3145	4654	6187	7303	8308	9433	11258	14976	[illegible]	20417	21509	22917	24049
28	907	2166	3160	4685	6180	7305	8311	9446	11283	14988	19445	20451	21511	22982	24050
43	910	2187	3183	4804	6258	7327	8315	9467	11451	15055	19446	20473	21513	22947	24188
44	911	2231	3271	4825	6401	7343	8326	9542	11808	15088	19488	20531	21605	22948	24282
53	912	2274	3275	4991	6382	7316	8341	9550	11842	15115	19514	20596	21671	23010	24298
71	1268	2320	3319	4994	6836	7452	8454	9676	11908	15151	19601	20685	21772	23086	24343
80	1254	2346	3357	5019	6866	7364	8470	9713	12180	15271	19623	20643	21823	23087	24394
110	1316	2394	3345	5055	6460	7392	8485	9734	12310	15277	19812	20697	21855	23148	24448
129	1341	2402	3369	5059	6642	7395	8563	9736	12508	15581	19827	20703	21987	23290	24454
137	1342	2435	3391	5121	6655	7429	8698	9748	12527	15474	19857	20788	22002	23348	24489
151	1353	2440	3428	5140	6693	7487	8757	9750	12547	15536	19858	20768	22020	23375	24492
162	1354	2450	3505	5175	6685	7616	8818	9819	12610	15706	19866	20775	22063	23430	24592
178	1454	2467	3514	5218	6731	7524	8853	9822	12611	15707	19890	20848	22097	23460	24658
279	1498	2487	3582	5231	6748	7541	8865	9889	12614	16084	20066	20865	22107	23482	24660
343	1504	2497	3625	5240	6749	7547	8893	9918	12817	16480	20080	20969	22118	23571	24776
365	1605	2505	3632	5347	6755	7565	8945	9986	13109	16671	20055	21023	22185	23614	24815
369	1684	2532	3634	5408	6845	7583	9086	10023	13244	16743	20142	21046	22197	23646	24882
460	1763	2535	3635	5479	6861	7602	9108	10064	13380	16714	20144	21069	22247	23683	24919
470	1769	2566	3647	5535	6910	7612	9133	10248	13382	16750	20149	21127	22262	23713	24932
476	1770	2707	3886	5658	6960	7697	9140	10627	13480	17200	20159	21149	22336	23751	24966
486	1789	2777	4025	5718	7104	7706	9149	10628	13715	17439	20167	21261	22372	23785	90925
526	1801	2790	4058	5780	7113	7791	9158	10650	13781	17601	20195	21283	22373	23786	
631	1823	2791	4049	5811	7118	7985	9159	10677	13783	17882	20200	21295	22414	23817	
665	1825	2807	4154	5862	7119	7996	9166	10682	13873	18308	20214	21299	22430	23821	
676	1903	2808	4207	5887	7121	8078	9206	10887	14137	18501	20215	21380	22442	23827	
711	2002	2847	4217	5904	7130	8079	9231	11010	14392	18704	20244	21381	22448	23849	
770	2004	2982	4306	5944	7147	8093	9240	11035	14516	18867	20314	21418	22483	23866	
817	2009	3013	4407	6012	7272	8101	9289	11121	14563	19000	20343	21419	22489	24005	
819	2018	3058	4609	6081	7278	8208	9429	11149	14680	19229	20387	21423	22608	24043	
869	2027	3096	4630	6135	7281	8210	9432	11182	14925	19256	20391	21486	22772	24048	

The Debentures specified above are to be redeemed for the said sinking fund at the **office of the Trustee, 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York**, the main offices of Citibank in Amsterdam, London, Paris, Frankfurt/Main, Milan or Brussels or at the office of Kredietbank S.A. Luxembourgeoise in Luxembourg, as the Company's paying agents, and will become due and payable on March 1, 1984, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date. Coupons maturing on March 1, 1984 should be detached and presented for payment in the usual manner.

For CONTINENTAL TELEPHONE INTERNATIONAL FINANCE CORPORATION

By CITIBANK, N.A.,
Trustee

January 31, 1984

NOTICE OF REDEMPTION

To the Holders of

GOULD INTERNATIONAL FINANCE N.V.

9¾% Guaranteed Notes Due 1985
Issued under Indenture dated as of March 1, 1979

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, $20,000,000 principal amount of the above described Notes has been selected by lot for redemption on March 1, 1984 at the principal amount thereof together with accrued interest to said date, as follows:

Outstanding Notes of U.S. $1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

00 08 15 19 22 24 30 33 35 38 43 46 49 57 63 66 68 75 78 81 83 88 91 96 98
01 14 18 21 23 29 32 34 37 41 44 47 51 61 64 67 74 77 80 82 86 90 92 97 99

Also Outstanding Notes of U.S. $1,000 Each of Prefix "M" Bearing the Following Serial Numbers:

1 8 572

On March 1, 1984 the Notes designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Notes will be paid, upon presentation and surrender thereof with coupon due March 1, 1985 attached thereto, at the option of the holder either (a) at the corporate trust office of **Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015**, or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London or Paris or the main offices of Credito Romagnolo S.p.A. in Milan, Bank Morgan Labouchère N.V. in Amsterdam, Banque Internationale à Luxembourg S.A. in Luxembourg or Swiss Bank Corporation in Basel. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a New York City bank.

Coupons due March 1, 1984 should be detached from the Notes and collected in the usual manner.

On and after March 1, 1984 interest shall cease to accrue on the Notes herein designated for payment.

GOULD INTERNATIONAL FINANCE N.V.
By MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, *Trustee*

Dated: January 26, 1984

Daily Mail and General Trust PLC

Statement by Viscount Rothermere, Chairman

The last year has seen the return of a Conservative Government for a second term, and the start of economic recovery. There is a steadily growing confidence which has been reflected in Stock Market prices that there will be a continuing gradual improvement in the coming months.

Inflation is much more under control, interest rates are stable with hopes of their reducing further, and those companies which had to cut back staff and inventories are now the better equipped to take advantage of the upturn.

Whilst there have been few changes in our U.K. portfolio, we have agreed with our American advisers that the U.S. Stock Market was too high and we took the opportunities as they occurred to liquidate some of our U.S. holdings and have retained the dollars on short term deposit.

These changes have meant a small reduction in Unfranked Income from North America, more than offset however by an increase in Other Interest. But for dividend timing alterations, the increase in Franked Income would have been more than marginal. Even so we can report that Net Revenue from our general portfolio has increased by £97,000.

After allowing for the increased dividend from Associated Newspapers Holdings p.l.c. the net earnings were 34.8p per share, against 31.4p per share, and the Board is recommending, because of the Company's close Company status for taxation purposes, that the total distribution on the Ordinary and 'A' Ordinary Non-Voting Shares be 34.5p per share.

The value of our holding in our Associated Company has increased markedly over the last year—as have all newspaper shares with interests in Reuters. However, the financial results have themselves shown a satisfactory improvement.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

Slough Estates plc

(Registered in England No. 167591)

Issue of up to £33,343,418
12% per cent. Unsecured Loan Stock 2009

(in connection with the Offers by Slough Estates plc to acquire the entire issued share capital of Allnatt London Properties PLC ('Allnatt') and the issued Ordinary share capital of Guildhall Property Company PLC not owned by Allnatt)

The Council of The Stock Exchange has admitted the above Stock to the Official List. Particulars of the Stock are available in the Extel Statistical Services and copies of such particulars may be obtained during normal business hours (Bank Holidays and Saturdays excepted) up to and including 15th February, 1984 from:

Sheppards and Chase	**Charterhouse Japhet plc**	**Rowe & Pitman**
Clements House	**1 Paternoster Row**	**City Gate House**
14–18 Gresham Street	**St Pauls**	**39/45 Finsbury Square**
London EC2V 7AU	**London EC4M 7DH**	**London EC2A 1JA**

MINING NEWS

Cominco expecting a better year

BY KENNETH MARSTON, MINING EDITOR

FOURTH quarter 1983 results now flowing from the transatlantic natural resource majors make a mixed showing. But at least Canada's **Cominco** metals and chemicals group says that it expects an improvement this year on the basis that economic growth in north America is expected to continue and other western economies should improve.

Thanks to income tax credits of C$1.7m (£971,000) Cominco came out with a profit of C$1.1m in the fourth quarter. This reduced the total loss for 1983 to C$39.3m compared with a loss of C$31.2m in 1982, the latter figure being struck after an extraordinary gain of C$18.1m on the sale of U.S. oil and gas properties.

Cominco, which is controlled by the **Canadian Pacific** group, says that its U.S. subsidiary, **Cominco American**, has agreed to sell its interest in a small tertiary oil recovery project in Texas for C$9.5m. The resultant net profit on the deal of about C$5m should come into the current quarter's accounts.

Of the two lead-zinc producers in the Cominco group, **Vestgron Mines**, which operates the Black Angel mine in Greenland, made a fourth quarter net profit of C$2.9m to bring total earnings for 1983 to C$4.7m against C$4.4m. **Pine Point Mines**, however, lost C$1.2m to make a year's loss of C$8.4m.

America's **Freeport-McMoRan** has been keeping its head above water. "All in all, 1983 was a solid year for FMI," says Mr Benno C. Schmidt, the chairman and chief executive, looking at the results in the context of price weakness in sulphur and phosphoric acid earlier in the year, low copper prices and moderate prices for gold.

Following a fourth quarter net profit of $22.9m (£16.3m) when sulphur shipments recovered sharply as a result of an anticipated revival in demand for fertiliser, Freeport-McMoRan raised 1983 net income to $93.5m from $65.9m.

Last year the company was also able to reduce its long-term debt to $275.2m from $481m with the use of proceeds from the sale of oil and gas joint venture interests and properties.

Metals Ex and North Kalgurli improvements

AUSTRALIA'S **Metals Exploration** reports a half-year net profit of A$199,000 (£129,000) compared with a loss of A$202,000 a year ago. At the same time, the turnover dropped to A$543,000 from A$7.2, reflecting the policy of reducing operations pending a recovery in metal makets. Because of low prices for nickel the small, but good grade, Nepean in Western Australia remains closed.

Metals Exploration's unconsolidated subsidiary, **Metals Exploration Queensland**, holds 50 per cent of the struggling Greenvale nickel-cobalt mine in Queensland, the remaining 50 per cent *being held by* **Freeport-McMoRan**.

Last year Greenvale cut its planned production by half in order to reduce losses. As a result Metals Exploration's share of the losses in the six months to December 31 fell to A$18.6m against A$24.6m in the same period of the previous year.

Metals Exploration also has a 28.9 per cent stake in the gold-producing **North Kalgurli Mines**. The problem here is that the latter is having to spend heavily on underground development work, although this will pay off in the longer term.

The company also sells its gold forward and helped by a higher average gold price obtained it reduced its operating loss in the *half-year to A$65,000 from a loss* of A$1.06m in the same period of 1982.

Associated Pulp boosts NBH profits midterm

INVESTMENT INCOME has been supplanted as the major contributor to earnings of Australia's **North Broken Hill Holdings** by profits from **Associated Pulp and Paper Mills**, which was acquired last February.

APPM contributed A$16.21m (£10.4m) to the operating profit of A$24.34m reported for the 24 weeks to December 17, compared with the A$7.24m contribution from investment income and A$887,000 from the mining operations, which centre around the North mine at Broken Hill in New South Wales.

This accounted for the rise from operating profits of A$11.1m in the 26 weeks to December 31 1982.

The results from the mining operations were adversely affected by lower sales of lead and zinc concentrates and lower lead prices, offset to some extent by higher prices for silver and zinc.

Profits for the previous half were also boosted by sales of silver from stocks.

Mining operations recorded a loss of A$642,000 in the past three months. Future mine earnings, the company said, will depend on metal proces and the containment of costs.

Net profits for the half-year came out at A$24.41m, up from A$10.54m in the previous half. The latest profits were boosted by an extraordinary credit of A$8.71m representing the surplus on disposal of North Broken Hill's shareholding in **Dunlop Olympic** last November.

The interim dividend is lifted to 4 cents per share from 3 cents last time.

The company said that the full-year results will "substantially exceed" those for the previous year if present conditions continue. Profits are now dependept on the results of the group's associated companies, rather than on investment income, in line with the philosophy outlined at last November's annual meeting.

MINING NEWS IN BRIEF

COMMERCIAL PRODUCTION from a gold property near Pulai in the state of Kelantan in Malaysia is expected to start in early 1985, according to Malaysia Mining Corporation (MMC).

Drilling results have confirmed the existence of economically recoverable gold reserves within the higher-grade areas delineated in the initial exploration, MMC said.

The reserves could support a small-scale mining operation for at least five years, according to the company.

The area is located within mining prospects covered in a joint exploration venture between *MMC* and Kelantan state.

The initial exploration work has been carried out by **Kampong Lanjut Tin Dredging**, a 43 per cent-owned associate of MMC.

The operation has so far cost M$1.23m (£373,000), with a further M$1.27m still to be spent.

* * *

An underground fire has been *detected at the state-assisted* **Venterspost** gold mine in the **Consolidated Gold Fields** group. Venterspost, a marginal producer, said that the fire has been brought under control, with no fatalities or injuries.

An insurance claim in respect of an estimated 8 per cent loss of one month's production is being lodged.

* * *

Southern Peru Copper Corporation (SPCC) has declared a combined dividend and joint venture distribution of U.S.$15m (£10.7m), payable on February 1.

A total of U.S.$8m is payable to **Billiton**, a subsidiary of the **Shell** group, which is SPCC's joint venture partner in the big Cuajone copper project. The balance will be payable as a dividend to SPCC shareholders.

These are **Asarco** of the U.S. (52.3 per cent), subsidiaries of the **Marmon** group (20.7 per cent), **Phelps Dodge Overseas Capital Corporation** (16.3 per cent) and **Newmont Mining** (10.7 per cent).

Renison Goldfields Consolidated, the 49 per cent-owned Australian arm of London's **Consolidated Gold Fields** bought out its parent company's 50 per cent interest in the joint exploration programme in Australia and the south-western Pacific area for A$4.7m (£3m).

The UK group will retain a small interest in net profits from any mine developed before mid-1996 on prospects covered by the current programme.

Prospects include the Pine Creek gold property in the Northern Territory of Australia and the Tirad copper-gold property in the Philippines.

* * *

The Australian mining and industrial group **Peko-Wallsend** has paid A$4.6m (£3m) to lift its stake in **Beach Petroleum**, an oil and gas exploration company, from 9.3 per cent to 17.5 per cent. Peko bought 8.6m shares in Beach at 53 cents a share.

Beach, which is active in exploration in the Eromanga and Surat Basins in Queensland, the Gippsland Basin in Victoria and the Otway Basin in South Australia, said that the funds from Peko would allow the company to consider an expanded exploration effort.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: John Brown, Cantors, Cowan de Groot, Equipu, Hambro Trust, Palmerston Investment Trust, Zetters.

Finals: Allied Textile, S. and W. Berisford, I.D.C., Securiguard, Widney, Xerox.

FUTURE DATES

Interims—
English Association .... Feb 3
Waring and Gillow .... Feb 8

Final—
Edmond .... Feb 29

APPOINTMENTS

Senior posts at Chesebrough-Pond's

CHESEBROUGH-POND'S has made the following appointments: Mr **John P. Freeburn** has been promoted to financial director. He has been with Chesebrough-Pond's since 1971. His predecessor as financial director, Mr **Anthony P. Deasey**, vacated the position in June 1983 upon his promotion to the area financial director post covering the international grouping of Canada, UK and Ireland. Mr **Michael F. Anscombe** will become personnel director on April 2. He joins Chesebrough-Pond's from the Bristol-Myers Co., where he has been personnel manager since 1977. As personnel director he assumes responsibilities previously covered by Mr **E. Paul Jones** in his role as area personnel director (Europe, Middle East and North Africa), since May 1982, and who will now be concentrating exclusively in that area capacity.

*

Mr **Roy Cronk**, operations director at GOUGH BROTHERS, the Scottish and Newcastle-owned off-licence chain, will be leaving the company on February 1. Mr **David Isaacs** currently buying and marketing director will become sales and marketing director from that date. Mr **Geoffrey Smallwood**, wines and spirits controller with Keymarkets, joins Gough Brothers on February 20 as buying director.

*

The newly formed BRIDGEWATER PAPER COMPANY has made the *following appointments*: Mr **J. D. Andrew** (chairman), Sir **Campbell Fraser**, Sir **Richard Powell**, Mr **T. O. Strangeland** and Mr **W. I. M. Turner**, directors. Mr **Jean Derschow** of Geneva, Switzerland, has been elected to the board of the subsidiary, Bridgewater Paper Sales, formerly Consolidated-Bathurst (Overseas).

*

Mr **Gerald W. French**, director of B.C.I.A., is to retire at the end of the year. The general secretary, Mr **John R. Wilson**, has been appointed deputy director and will become director on January 1 1985. Mr **M. J. Morgan** and Mr **B. A. Barnett** have become vice-chairmen.

*

Mr **Richard F. Colker** has joined the international corporate finance department, as executive director, at KIDDER PEABODY INTERNATIONAL in London from Banque de la Societe Financiere Europeenne in Paris.

*

Following a restructuring of DUNLOP'S international sports company into specialist product businesses under separate equipment and active wear divisions, Mr **J. N. Usher** has become chief executive, active wear. He was European vice president of Lee Apparel UK.

*

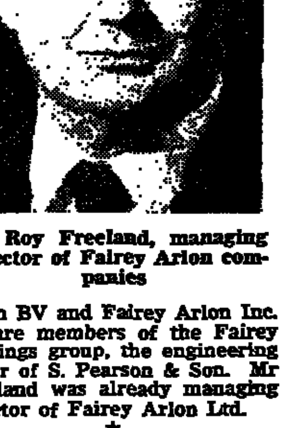
BAIN DAWES INTERNATIONAL HOLDINGS has appointed Mr **Kenneth M. Elliott** to the board. Mr Elliott is president and chief executive officer of Tosa and Tomenson Saunders Whitehead, a Canadian insurance broker.

*

TURNER AND NEWALL has made the following appointments: Dr **V. Lorenzati**, managing director of Ferodo Italiana SpA, and Mr **C. J. Sinclair**, president of Nuturn Corporation in the U.S. have been appointed directors of Ferodo Ltd. Mr **T. G. Warren**, president of Flexitallic Gasket Company Inc., U.S., has been appointed a director of Flexitallic in the UK.

*

Mr **Roy Freeland** has been appointed managing director of the FAIREY ARLON companies—Fairey Arlon Ltd., Fairey Arlon BV and Fairey Arlon Inc. All are members of the Fairey Holdings group, the engineering sector of S. Pearson & Son. Mr Freeland was already managing director of Fairey Arlon Ltd.



Mr Roy Freeland, managing director of Fairey Arlon companies

*

WILLIAM JACKSON AND SON has made the following appointments: Mr **R. H. Mountifield** has become vice-chairman. Mr Mountifield joined the company in 1951 and has worked mainly in the bakery and meat division of which he is currently chairman. He is also chairman of Oughtred and Harrison, the insurance and shipping group. Mr **Christopher M. Oughtred** has been made joint managing director. Mr Oughtred joined William Jacksons in 1975 and has worked in an executive capacity for all departments.

*

LYLE SHIPPING has appointed Mr **John N. Maclean** managing director of its subsidiary, Lyle Motorship Company. *He has also been appointed* a director of Lyle Shipping. Mr **Donald C. Macpherson** has resigned from the board. Mr Macpherson was the representative of H. Hogarth and Sons on the board and his resignation follows the sale of its share holding.

*

Sir **Hugh Cunningham** has joined the board of TREND COMMUNICATIONS, the data communications division of Phicom.

*

Mr **E. Pennant Jones** has been appointed secretary of the ENGINEERING INDUSTRY TRAINING BOARD, in addition to his responsibilities as head of research. He succeeds Mr **G. G. Marshall** who has become acting chief executive of the EITB.

*

Mr **Michael Sumpster** has been appointed to the board of BEAVIS SHRIMPLING AND SOFTLY. He joined BSS in July as director on international client business.

*

Mr **Michael Dodd** has been appointed general manager of PLESSEY MATERIALS. He was product manager. Before joining Plessey, Mr Dodd was with Dunlop.

*

R. GREEN PROPERTIES has appointed Mr **D. J. Edmonds** as chairman in place of Mr **R. N. Elphick**, who has retired. Mr **M. E. Bartlett**, Mr **D. J. Peters**, Mr **P. G. Wilford** and Mr **B. E. Burgess**, have all been appointed to the board. Mr **J. H. Mepham** remains managing director.

*

Mr **Neville Reyner** has been appointed director of sales operations for the UK and Eire of the semiconductor division of MITSUBISHI ELECTRIC (UK). He was with Fairchild Camera and Instrument (UK).

*

At a board meeting of THE MILN MARSTERS GROUP it was decided that when its managing director, Mr **Derek A. J. Randall**, reaches retirement age towards the end of 1984, he will be succeeded by Mr **Christopher J. G. Gillett**, who has become deputy managing director. Miln Marsters is a part of the Swedish Hilleshog Seed Company.

*

Mr **W. P. Dwerryhouse** has been appointed to the board of MORGAN GRENFELL & CO from March 1.

*

The Energy Secretary has appointed Mr **J. Wynford Evans** as chairman of the SOUTH WALES ELECTRICITY BOARD for five years from April 1. He succeeds Mr **Duncan Ross**, who is leaving to take up the chairmanship of the Southern Electricity Board. Mr **Evans** has been deputy chairman of the London *Electricity Board since 1977*. Mr **A. G. Stoughton-Harris** has been re-appointed as a part-time member of the Southern Electricity Board for a year from February 1. He is the chief general manager of the Anglia Building Society. Mr **James R. Holdsworth** has been re-appointed as a part-time member of the North Eastern Electricity Board for three years from April 1. He is a past chairman of the North Riding and Durham County branch of the National Farmers' Union.

*

Mr **E. R. Curry** and Mr **R. S. Deas** have been appointed to the board of CURRYS. Mr **A. G. Horne** has retired.

*

Mr **David Brocklehurst** has been appointed managing director of BELSTAFF INTERNATIONAL, part of the James Halstead Group. He was finance director.

*

JOSEPH CARTWRIGHT, holding company of the Cartwright Group, has appointed Mr **P. Bewell** as deputy group managing director. Mr Bewell is also chairman of Cartwright Construction, the group's nothern construction wing. Mr **G. Ramskill**, managing director of Cartwright Construction, has been appointed to the group main board and will also retain his current position.

Mr P. Bewell, deputy managing director, Cartwright Group

*

Following the acquisition of SKH by P. J. Zweegers En Zonen of Geldrop, Holland, the board has been reconstituted. Mr **A. Koppenol**, a director of P. J. Zweegers En Zonen, is chairman with Mr **C. J. E. Roche** remaining as managing director. Other directors are Mr **P. J. H. M. Zweegers**, also a director of P. J. Zweegers En Zonen, Mr **D. Burton** and Mr **E. S. Bisset**.

CONTRACTS

£7.7m orders for Norwest Holst

NORWEST HOLST has received contracts worth £7.7m. Work has started on a £3.7m opencast mining project for the Irvine Development Corp. Following the provision of temporary road infrastructure, Norwest Holst Mining will excavate to expose more than 120,000 tonnes of coal at the Sourlie opencast site. The contract also covers the transport and delivery of the coal to the National Coal Board.

Telford Development Corp. has awarded a £2.3m contract for the replacement of part of the A518 with 2 km of 7.3 metre wide carriageway complete with verges. Two roundabouts are included and these will replace the existing A518 section. Norwest Holst will also complete two pedestrian underpasses beneath one of the new roundabouts. A retaining wall together with a skewed three span bridge, carrying the new road over railway sidings, are all scheduled for completion by April 1985.

Other contracts include reclamation work for Merseyside County Council at Birkenhead worth £338,514, the construction of a 3,000 tonne concrete coke silo for Conoco at its Humber refinery at a cost of about £500,000, and a mains and service laying period contract valued at £1.25m for the British Gas Corporation (Scottish region).

*

WILLIAM MOSS CONSTRUCTION has won a contract worth more than £2m to build the National Geoscience Data Centre for the British Geological Survey at Keyworth, Nottingham. The contract, funded by the Natural Environment Research Council, is one phase in a programme of construction and refurbishment which is due to be completed "in the early 90s." In addition to the 20,150 sq ft main rock store, the group is to construct a rock preparation area, archive and boiler house.

*

MILLARD CONTRACTORS, of Tipton, West Midlands, has started on the following contracts: Alterations and extensions to Northfield Library for City of Birmingham, costing £234,596; refurbishment of seven blocks of multi-storey flats worth £368,000, for the City of Birmingham; repairs and redecoration to 89 properties at Athol Farm Estate, for the City of Birmingham, for £250,000; and modernisation of 95 properties in Wednesbury, Oldbury and Smethwick, for Sandwell MBC, costing £1.14m.

*

JOHN LAING'S south-west region has won a £1.6m management contract to build a new teaching block at the Dorset Institute of Higher Education in Poole. Although Laing will be managing the contract, the company will be sub-letting the actual building work to locally-based firms. The project involves the erection of a three-storey *building*, housing the humanities, mathematics and computing departments, as well as a small, single-storey block. The building will have a structural steel frame, with a precast concrete floor and total floor area of 3,370 sq metres.

*

Two contracts totalling £1.8m have been won by **A. MONK & Co.** The first is a project to reclaim a stretch of the River Tyne at Gateshead for leisure purposes for Gateshead Metropolitan Borough Council. Work involves reinstatement of the river bank for a stretch of about 200 metres. The £145,600 contract also includes construction of a concrete ramp with a short length of track to provide access for boat trailers, and various retaining walls, service roads, footpaths, and surface water sewer and outfall. For Cementation Projects of Corydon, Monk is to build a four track double-span concrete bridge to carry the main electrified London to Bedford railway line over the proposed M25 north of Radlett Station in Hertfordshire.

*

TAYLOR WOODROW CONSTRUCTION (MIDLANDS) has been awarded a £1.2m contract by the West Midlands Regional Health Authority to build residential flats at a new district general hospital in Redditch, Worcestershire The contract covers five, three-storey residential blocks for the hospital staff. Also included will be a laundry, an electricity sub-station and garages. Work has begun for completion in July 1985.

*

TRENT CONCRETE STRUCTURES, a member of the Dobson Park Industries Group, has concluded a licence agreement worth about £500,000 with MABCO Prefabricated Building Co of Riyadh, Saudi Arabia, for the use of the Trent T6 method of precast concrete column and beam frame construction. The licence, which runs for seven years, is in the territory of Saudi Arabia, Iraq and the Gulf States and covers the design, manufacture and erection of T6. MABCO will be equipping factories in Riyadh and Damman, Saudi Arabia, for the manufacture of T6 elements.

*

LEYLAND TRUCKS has won orders worth £5m from Tarmac for 190 trucks—160 Constructor six-wheelers for tipper and concrete mixer applications and 30 Constructor eight-wheel tippers. All the trucks are being supplied via Leyland Trucks' distributor, Brownhills Commercials of Brownhills, Staffs, who are also bodying some of the tippers and fitting the mixer equipment.

*

Britoil has placed a £4m contract with LEWIS OFFSHORE for construction of the Beatrice "C" jacket, piles and deck. The jacket and piles will be constructed in its yard at Stornoway and the deck will be built at its separate facility in Hartlepool. The four legged jacket, with piles, will weigh 515 metric tonnes. The topside, consisting of main deck, cellar deck and helideck, will weigh 520 metric tonnes. The jacket, which will be built horizontally and loaded on to a barge, will be installed before the end of the year. Beatrice "C" will be an unmanned steel structure designed to handle water injection wells. These wells will be used to sweep oil in the south western part of the Beatrice reservoir up to the "A" location in the centre of the field where certain wells which had previously been designated injectors will now be completed as producers. Water injection start up is designed to take place early in 1985.

*

Coats Patons has awarded a £6m building contract for its new world headquarters to MELVILLE DUNDAS & WHITSON. Situated in Glasgow's St. Vincent Street, the completed building will provide 74,000 sq ft of high quality fully air-conditioned office accommodation with extensive private car parking at basement level. Impressive elevations to St. Vincent Street and West Campbell Street combining extensive reflective glass and granite columns in a striking design will complement the surrounding buildings and enhance this area of the city. Architects Scott Brownrigg & Turner will provide a sophisticated energy efficient building incorporating a variable volume air conditioning system allowing sub-division of *office space to meet all requirements.*

*

CROW OF READING has been awarded a contract worth around £3.5m by the Government of Ethiopia for a number of television and radio broadcast systems. They will provide the Ethiopian people with colour TV broadcasting on the national network. An Ethiopian television studio complex at Addis Ababa is to be completely re-equipped for colour. Crow will provide studio complex at Addis Ababa colour cameras, colour and monochrome picture monitors, a telecine, video tape recorders, a flying spot slide scanner and a digital character generator.

*

AIROIL-FLAREGAS has won £2m worth of contracts. The orders include three separate contracts, worth £800,000, for major projects in Russia. The French subsidiary has won an order for four 100 metre high guyed flarestacks for a new gas treatment plant in Astrakhan from Creusot-Loire Enterprises/Technip. The Italian subsidiary has gained an order for two 60 metre high twin flarestacks to be installed at booster stations in Oremburg through Nuovo Pignone. The third order, for a Russian installation, was placed by Davy McKee. Airoil-Flaregas will supply two 70 metre high flarestacks together with vent stacks, instrumentation and all ancilliary equipment.

BASE LENDING RATES

Bank	Rate	Bank	Rate
A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel ....§	9 %
Henry Ansbacher	9 %	C. Hoare & Co. ....†	9 %
Arbuthnot Latham......	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd....	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM...	9 %	Mallinhall Limited ...	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd. ...	9 %	National Girobank ...	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd....	10 %	R. Raphael & Sons ...	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co. ...	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co Canada	9 %
CL Bank Nederland ...	9 %	■ J Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered ...§	9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet...	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank....	9 %
Citibank Savings ......¶	10½%	Volkskas Intnl. Ltd. ...	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½%	Whiteaway Laidlaw ...	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits...	9 %	Wintrust Secs. Ltd. ...	9 %
Co-operative Bank ...*	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd......	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp....	11 %		
First Nat. Secs. Ltd....	10½%		
Robert Fraser	10 %		
Grindlays Bank ....‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 6%. Fixed rate 12 months £2,500 8%. £25,000 12 months 8.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
§ 21-day deposits over £1,000 6½%.
¶ Demand deposits 5½%.
¶ Mortgage base rate.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Tuesday January 31 1984

Japanese to increase Samurai bond issues, Page 36

ØØ

WALL STREET

Reagan role in rally is short-lived

PRESIDENT Reagan's confirmation that he will seek re-election to the White House this autumn proved little solace for Wall Street, where a further bout of selling took the stock market down to its lowest level for two and a half months. However, a rally in the final half hour cut losses by about one third, *writes Terry Byland in New York.*

The market opened higher but swiftly turned down when the sellers re-appeared. Increased selling in the latter part of the session drove the Dow Jones industrial average down by more than 12 points at one time, before some bargain hunting in the final 30 minutes left the Dow Jones industrial average at a closing level of 1,221.52, a net 8.48 down. Turnover was heavy, with 102m shares traded.

Views of the outlook for interest rates continued to diverge, with some quarters believing that the slowing down in economic growth will permit rates to ease, while others see a tightening of Federal Reserve credit policies this year.

With a number of factors urging caution this week, bond prices held steady for much of yesterday's session. The Fed's Open Market Committee met yesterday and will convene again today.

On balance, the market expects little change in Fed policies to emerge from the meetings. But tomorrow is expected to bring details of the Treasury's $15bn – $16bn funding programme for the next quarter, which could put upward pressures on interest rates.

The stock market opened with a burst of strength, spurred on by Friday's news of a $2.7bn fall in M1 money supply for the week. Trading was brisk, but buyers were mostly those needing stock to meet selling deals made during last week's fall in the market.

When these professional operations were completed, selling recommenced and prices fell smartly. With the final quarter reporting season for 1983 now half completed, the stock market is looking at a downturn in profits from the previous quarter, which has undermined the prospects for an earnings-driven gain in the market.

Once again, IBM gave ground, shedding $1¼ to $113⅝. Major institutions have been selling IBM stock, attracted by the sizeable profit available on their holdings.

Other leading issues to meet fresh selling pressure included General Electric, $⅛ off at $53¾, Minnesota Mining and Manufacturing, $⅛ down at $76⅛, Hercules $1⅜ lower at $33⅛ and Motorola, $1⅛ down at $120¼.

Selling of both airline and railroad issues contributed to a fall of more than 3 per cent in the Dow Jones transportation average.

Top of the active list by a wide margin was Texaco, after a 5.1m share block changed hands, putting the price $2⅛ up at $37¾. Investors took the view that Texaco's $90m sale of some overlapping assets of Getty Oil will ensure that the merger goes through without anti-trust problems.

ergy and technology issues remained active. Wang Laboratories, $⅜ up at $30½ and Tie Communications, $¼ off at $22⅞, were prominent spots.

In other sectors of the New York Stock Exchange, the American Stock Exchange and the Nasdaq over-the-counter market, prices showed widespread falls.

Texas Instruments, $1½ off at $130, U.S. Steel, $⅝ down at $30⅝, and Monsanto, $1¼ off at $95¾ were among those to lack support.

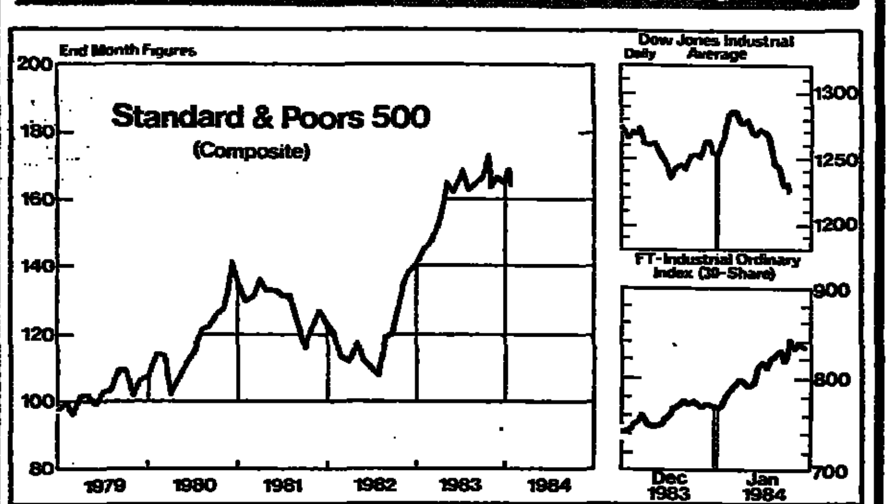
The firm sector was oils, still hoping for further bid moves at prices which would benefit both the low priced domestic groups likely to be the targets, and the major oil companies, likely to be leading the buying.

In the credit markets, prices were better where changed but there was a general inclination to await Wednesday's news on Treasury funding.

At 102 5/32 the key long bond yielded 11.75 per cent, having fallen 5/32 from Friday's closing price after the money supply announcement.

The Federal Reserve helped the short end of the market with $1.5bn customer repurchases, when the federal funds rate touched 9 5/16 per cent. Treasury bill rates hardly changed.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Jan 30	Previous	Year ago
DJ Industrials	1221.52	1230.00	1064.75
DJ Transport	552.18	567.16	460.37
DJ Utilities	132.71	132.66	123.62
S&P Composite	162.87	163.84	144.51
LONDON			
FT Ind Ord	832.20	839.50	622.70
FT-A All-share	504.11	504.73	395.02
FT-A 500	538.41	540 65	426.45
FT-A Ind	489.65	491.38	400.62
FT Gold mines	534.30	531.50	677.00
FT Govt secs	83.08	82.75	77.02
TOKYO			
Nikkei-Dow	10,235 73	10,180.85	8014.61
Tokyo SE	777.96	773.17	584.80
AUSTRALIA			
All Ord.	closed	765.70	536.60
Metals & Mins.	closed	517.30	488.20
AUSTRIA			
Credit Aktien	55.68	55.83	49.49
BELGIUM			
Belgian SE	147.76	147.74	104.92
CANADA			
Toronto Composite	2480.01	2504.30	2015.70
Montreal Industrials	429.41	433.60	343.77
Combined	416 12*	418.80	331.62
DENMARK			
Copenhagen SE	220.55	221.43	103.91
FRANCE			
CAC Gen	172.00	170.10	104.40
Ind. Tendance	113.40	111.90	64.40
WEST GERMANY			
FAZ-Aktien	366.01	365.88	244.87
Commerzbank	1082.80	1082.20	744.00
HONG KONG			
Hang Seng	1097.63	1055.37	899.82
ITALY			
Banca Comm.	223.07	219.55	182.49
NETHERLANDS			
ANP-CBS Gen	177.90	175.50	105 40
ANP-CBS Ind	146.30	144.40	90.50
NORWAY			
Oslo SE	247.53	247.47	125.30
SINGAPORE			
Straits Times	1063.88	1051.57	773.99
SOUTH AFRICA			
Golds	808.20	808.00	1037.80
Industrials	965.10	866.10	816.40
SPAIN			
Madrid SE	closed	109.32	86.12
SWEDEN			
J & P	1560.39	1549.26	1023.70
SWITZERLAND			
Swiss Bank Ind	380.70	380.70	299.40
WORLD	Jan 27	Prev	Year ago
Capital Int'l	185.20	185.30	156.50

GOLD (per ounce)

	Jan 30	Prev
London	$369.875	$369.375
Frankfurt	$370.00	$367.00
Zürich	$370.25	$370.00
Paris (fixing)	$369.93	$369.86
Luxembourg (fixing)	$369.00	$366.45
New York (Feb)	$370.20	$369.50

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Jan 30	U.S. DOLLAR Previous	STERLING Jan 30	STERLING Previous
$	–	–	1.4080	1.4035
DM	2.8110	2.8230	3.96	3.9625
Yen	234.55	234.25	330.50	329
FFr	8.5975	8.6250	12.1025	12.1025
SwFr	2.2410	2.2475	3.1575	3.1575
Guilder	3.1640	3.1760	4.4575	4.46
Lira	1713	1718.50	2411.50	2411
BFr	57.43	57.57	80.85	80.80
C$	1.248250	1.247750	1.7575	1.7515

INTEREST RATES

Euro-currencies (offered rate)	Jan 30	Prev
£	9 7/16	9½
SwFr	3 9/16	3⅝
DM	6	6
FFr	13 9/16	13 7/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	9¾	9 13/16
6-month U.S.$	10	10
U.S. Fed Funds	9 5/16*	9¼
U.S. 3-month CDs	9.30*	9.40
U.S. 3-month T-bills	8.89*	8.8650

U.S BONDS

Treasury	Jan 30* Price	Jan 30* Yield	Prev Price	Prev Yield
10⅜ 1985	100 3/32	10.57	100 5/32	10.55
11¾ 1991	101 1/32	11.53	101 7/32	11.49
11.75 1993	100 21/32	11.63	100 27/32	11.60
12 2013	102 5/32	11.73	102 17/32	11.69
Corporate	**Jan 30***		**Prev**	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	93½	11.80	93½	11.80
3⅞ July 1990	68⅝	10.75	68⅝	10.75
8¾ May 2000	75¾	12.20	75¾	12.20
Xerox				
10⅜ March 1993	92½	12.00	92½	12.00
Diamond Shamrock				
10⅝ May 1993	91⅝	12.10	91⅝	12.10
Federated Dept Stores				
10¾ May 2013	86	12.40	86	12.40
Abbot Lab				
11.80 Feb 2013	95¼	12.40	95¼	12.40
Alcoa				
12¾ Dec 2012	96	12.80	96	12.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	70–29	71–10	70–28	71–04
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.05	91.12	91.04	91.05
Certificates of Deposit (IMM) $1m points of 100%				
March	90.44	90.52	89.05	90.43
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.30	90.32	90.27	90.23
20-year Notional Gilt £50,000 32nds of 100%				
March	109–06	109–08	108–18	108–10

COMMODITIES

(London)	Jan. 30	Prev
Silver (spot fixing)	589.05p	578.50p
Copper (cash)	£987.75	£991.20
Coffee (Jan)	£2068.00	£2065.00
Oil (spot Arabian light)	$28.65	$28.65

TOKYO

Electricals dim after early spark

SELECTIVE buying of blue-chip issues persisted in early Tokyo trading yesterday – particularly among electrical stocks – but the trend tapered off later as investors moved to the sidelines for fear of a corrective fall, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average ended the morning session just over 63 points higher than last week's close, but lost strength gradually, closing the day at 10,235.73, up 29.26. Turnover came to 295.10m shares, a substantial decrease from last Friday's 429.89m shares.

The index thus hit an all-time high for the fourth straight session. But declines outnumbered advances 354 to 341, with 144 issues unchanged.

The sizeable decline in the M1 measure of the U.S. money supply for the latest reporting week, combined with President Ronald Reagan's announcement of his intention to run for re-election, touched off expectations of a rally on Wall Street later yesterday. As a result, active buying of blue chips carried over from last week.

Among notable gainers was Sony, which had been out of investor favour because of a slack performance in its video cassette recorder division. Sony advanced Y250 at one stage and ended Y200 higher at Y4,000, regaining the Y4,000 level for the first time since November 1982.

Matsushita Electric Industrial rose some Y170 to Y2,030 in early trading, but the profit-taking left a closing Y1,990, a gain of Y30. NEC added Y30 to Y1,540 and Canon Y20 to Y1,590.

Nissan Motor climbed Y24 to Y765 on reports, unconfirmed at the time, that it had decided to produce a small passenger car in Britain. Trading volume was small, however.

The market lost ground in the afternoon, discouraged by growing investor concern over a reactionary decline and increased sales of blue-chip electricals for profits.

TDK jumped Y200 in morning transactions, but finished Y60 lower at Y6,640. Hitachi shed Y17 to Y881 and Pioneer Electronic Y60 to Y3,790.

Conversely, speculative issues drew interest, with Aoki Construction rising Y30 to Y810, Arabian Oil Y180 to Y5,280 and Denki Kagaku Kogyo Y21 to Y474.

The bond market remained lacklustre. Although some corporations with surplus funds bought long-term issues, other investors generally adopted a hands-off attitude.

The yield on the barometer 7.5 per cent government bonds, maturing in January 1993, remained unchanged from last week's close at 7.415 per cent.

EUROPE

Banks and insurers fare best

THE REFERENCE points for investors on the European bourses yesterday lay across the Atlantic – in the form of the Reagan candidacy and a $2.7bn fall in M1 money supply – but ahead of Wall Street's own reaction a reluctance could be felt to commit any sizeable fresh funds.

A third U.S. influence, a weakening dollar as selling pressure developed out of New York, became clear only at or near the close. Nonetheless, earlier indications that no further severe inroads were being made on domestic currencies appeared to aid sentiment.

Banking and insurance issues in many centres underwent something of a revaluation, providing a handful of the day's better gains.

Australian and New Zealand markets were closed for national holidays. The Madrid bourse observed its usual Monday closure.

In the respective sectors, **Amsterdam** showed ABN up Fl 10 to Fl 445 and Amro Fl 1.70 ahead at Fl 82; Nat Ned Fl 3 stronger at a record Fl 241 and Aegon firming Fl 3.50 to Fl 142.50.

Other prominent advances during an active session were Fl 7.70 for Akzo in chemicals at Fl 123.20, and Fl 6.10 by KLM at Fl 232.60. Domestic bonds put on some 20 basis points.

Deutsche Bank featured **Frankfurt** with a DM 8 jump to DM 390.50, while BHF was up DM 4 at DM 304. Munich Re added DM 15 to DM 1,345 but Allianz, its associate, eased DM 1.50 to DM 826.50 amid confusion over its U.S. intentions.

Early buoyancy gave way all round to profit-taking, but renewed support emerged later. Bonds firmed too, and the Bundesbank sold DM 16.2m in public paper.

A doubling of capital proposed by Credito Italiano prompted a **Milan** mark-up of its shares by L520 to L4,870, and expectations of similar moves took Banca Commerciale L1,650 higher to L37,650

Of the insurers Generale gained L1,000 to L38,600 and Toro L50 to L14,000. Industrials were quieter, with Fiat L30 ahead at L4,080, and bonds were active but mixed.

The financial side was favoured too in a steady **Zurich** session, where Crédit Suisse firmed SwFr 20 to SwFr 2,335 and Zurich Insurance climbed SwFr 200 to SwFr 18,500

Bonds were quietly steady.

An inflow of foreign orders helped

Continued on Page 28

SOUTH AFRICA

BUYING SUPPORT from London helped Johannesburg gold mining stocks, but most slipped from their day's high and in some cases shaded easier.

Buffels held unchanged at R58 as Free State Geduld slipped 25 cents to R42.75. Other minings were largely unchanged. The star performer of the day was Anglo-American Gold with a R3.50 gain to R133.

CANADA

WEAKNESS in gold issues undermined most other resource oriented share sectors in Toronto. Base metal producers were also very prominent in the decline.

Some firmness in Montreal industrials and banks offset largely unchanged papers but much more fragile utilities.

LONDON

Nervousness edges leaders to sidelines

SPECULATIVE activity highlighted yesteday's first session of a new fortnightly trading account in London equity markets. Leading shares were pushed to the sidelines and became highly nervous late in the day.

Reflecting the lack of institutional enterprise, top-name shares were unable to maintain an early extension of Friday's after-hours strength and the FT Industrial Ordinary index finished the day 7.3 lower at 832.2.

Blue chip industrials, which had recently attracted above average support, began to look tired, although little selling developed. Hawker Siddeley encountered fresh American demand and, helped by vague talk of a possible transatlantic bid, surged higher initially and closed up 8p at 414p after 424p.

The electrical sector's weakness was in fact one of the principal factors leading to a nervous after-hours trade in equities as a whole.

Gilt-edged securities traded quietly but moved higher in line with Liffe market indications.

Longer-dated stocks gained ⅜ in places and the government broker ran out of supplies of the recently created £100m tranche of Treasury 9½ per cent 1999, at 94⅛; he remained open to bids for stock of Treasury 9½ per cent 1988 and Treasury 9 per cent 1992/96, tranches of which were also made available to the market on last Tuesday.

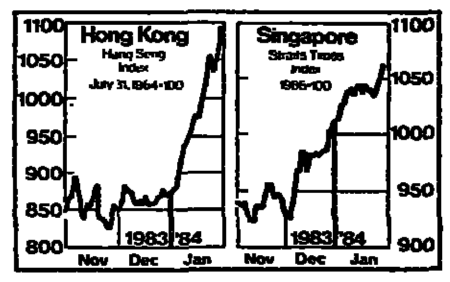
Details, Page 29, Share Information Service, Pages 30–31.

HONG KONG

THE STRONGEST showing so far this year followed one-point prime rate cuts by Hong Kong banks for the second successive Monday. The Hang Seng index soared 42.26 to a six-month high of 1,097.63, and dealers expected that resistance at the 1,100 level would be offset by a bullish view of the local property market expressed later by the colony's valuation commissioner.

Property-related issues fared well ahead of this: Cheung Kong put on 50 cents to HK$9.95, Swire Properties 15 cents to HK$6.70 and Hongkong Land 40 cents to HK$4.30.

The rate cuts were adjudged no strain on the banks. Hongkong and Shanghai added 20 cents to HK$8.80 and Hang Seng 50 cents to HK$45.25.



SINGAPORE

ANOTHER active session took Singapore further upward as the Chinese new year approached, but profit-taking was felt amid the buying support.

The Straits Times industrial index rose 12.31 to 1,063.88, while the wider SE industrial/commercial index put on a more moderate 2.41 to 804.31, both new peaks.

Supreme Corporation, the day's most active, firmed 2 cents to S$2.15. Chuan Hup Marine jumped 16 cents to S$4.10. Banks were weak, with OCBC off 20 cents to S$11.50.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
18⅝	9⅛	AAR	.44	2.5	22	1374	18	17¼	17¾	-¼
62½	30½	ACF	1.40	3.1	21	342	46	45½	45¾	-⅝
22	18¼	AMCA	n			10	20⅝	20½	20½	-¼
18⅞	14¾	AMF	.50	3.1		883	16¼	15⅞	16	+¼
50½	50	AMF	pf.55e	1.2		800	50¼	50¼	50¼	
47⅛	20¼	AMR Cp			15	6195	35¼	33⅞	34½	-1½
18⅞	16⅞	AMR	pf2.18	11		56	19½	19⅜	19⅜	
41½	24⅞	AMR	pf2.13	6.0		95	36⅛	35½	35½	-⅛
25¾	23⅞	ANR	pf2.67	11		1	24¼	24¼	24¼	+⅛
23⅞	20	ANR	pf2.12	9.9		9	21½	21⅛	21½	+⅛
15¾	3½	APL			19	97	13½	13	12	-¼
55¼	34¼	ARA	2.05	4.1	11	109	50	49¼	49¼	-¼
79¼	50¼	ASA	3a	5.4		139	56⅝	55½	55⅞	-⅝
33¼	14⅞	AVX	s .32	1.4	35	115	24⅛	23	23⅛	-⅞
53⅛	36⅞	AbtLab	1	2.3	15	1454	44¼	43½	43⅝	-¼
30¼	23¼	AccoW	n.60	2.1	21	47	29¼	28¼	28¼	-⅛
27½	17⅛	AcmeC	.40	1.5		31	26¼	25⅞	25⅞	-½
14½	9½	AcmeE	.32b	2.4	83	116	13⅛	13	13¼	+½
24⅞	8⅛	AdmDg	.04	.3	11	154	15¼	14	14	-1¼
18¼	15	AdaEx	2.11e	13		45	16½	16⅛	16⅛	-¼
19⅛	7¼	AdmMI	.24	1.4	8	16	17	16⅞	16⅞	+⅛
15⅝	9¼	Advest	.12	1.1	10	110	11⅛	11⅛	11⅛	-⅛
37½	15½	AMD	s		35	8235	30¼	28	29	-1⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Kidder, Peabody Securities
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Market Makers in Euro-Securities

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Continued on Page 27

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
4¾	2⅞	AICPh				10	3	3	3	+ ⅛
6⅛	1¾	ATI				84	2	1¾	1⅞	− ⅛
12⅝	4⅛	AcmePr			36	1	6⅛	6⅛	6⅛	
19½	12¼	AcmU	s .32	2.1	17	21	15¾	15½	15½	+ ¼
14¾	6¼	Action	s		9	372	13⅝	12⅞	12½	− ⅝
12	6⅛	Actons	.11	13.	25	27	7⅞	7⅞	7⅞	
6½	1½	Actn	wt			2	3	3	3	+ ⅛
8	1⅞	AdmRs				10	3⅛	3	3⅛	
30⅝	20¾	AdRusl	s .10	.5	13	80	21¼	21	21	+ ¼
35⅞	15	Adobe	.24	1.1	16	61	21¼	21¼	21⅛	− ⅛
5⅛	2⅞	AegisCp			33	118	4	3¾	3¾	− ¼
7	4	Aeronca			8	78	5¼	5½	5½	− ⅛
32½	17⅞	AftHsp	.40	1.7	10	8	23⅝	23⅝	23⅝	+ ⅛
45	28¾	AlfPb	s .64	1.5	17	26	43¾	43½	43½	− ¼
17½	7¼	AirSta	.06e	.5	8	20	11⅞	11⅞	11⅞	− ⅛
15½	5⅞	AirExp				123	7⅛	6⅞	7	+ ¼
6⅛	4	Alamco	n		10	228	6⅛	5	5⅛	
23⅞	8¼	AlbaW	.15e	1.1	9	116	14	13½	13½	+ ⅛
14⅞	8⅞	AlmySt		1.4		4	14⅛	14⅛	14⅛	+ ⅛
10½	5⅞	AlphaA	.48r	5.6		54	8½	7⅞	8½	+ ⅝
28⅞	17⅞	Alpnin	.05	.3	23	21	18⅛	d17⅛	17⅛	−1
2⅞	1⅛	Altex				92	1½	1⅜	1½	
11-16	⅛	Altex	wt			2	5-16	5-16	5-16	
37	30	Alcoa	pf3.75	11.		z200	33⅝	33¼	33¼	− ½
32½	14¼	AlzaCp			147	150	16¼	16⅛	16⅛	− ⅛
29⅝	15⅞	Amdhl	s .20	1.1	28	553	18¼	17¾	17⅞	− ⅛
25⅛	8	Amedco	.08	.5	19	62	16	15¼	15¼	− ⅛
9½	7⅛	AmCap			180	120	u9⅝	9⅛	9⅝	+ ½
44¼	18¼	AExp	wt			60	20	18⅝	18⅝	− ⅞
12⅞	5⅞	Amrnel			2	65	6⅛	6⅛	6⅛	
18⅝	12	AMzeA	.52	2.9	68	7	18	17⅞	17⅞	− ⅛
18¼	12⅞	AMzeB	.52	3.0	56	2	17¼	17¼	17¼	
18¼	2¼	AMBld	.5			165	3	2⅞	2⅞	− ⅛
38½	27⅛	AMotin	.30	.9	12	242	34¼	33½	33½	− ⅞
60¾	47⅛	AmPetf	3.20	5.4	14	69	60	59	59	−1
9	5	AmRlty				4	7⅛	7⅛	7⅛	
12⅞	4⅞	AScIE				34	6⅞	6¼	6¼	− ⅛
11⅞	3⅛	AmWell				41	9	8¾	8¾	+ ⅛
[illegible]										

Continued on Page 28

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 26

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
23⅛	16⅞	TwnDs	.80	3.7		2	21⅛	21⅝	21⅛	
30	19¾	TycoLb	.70	2.5	12	165	29	28½	28⅝	− ½
31½	20¾	Tyler	.70	2.4	18	47	29¾	28⅞	29	+ ⅛
29	16	Tymshr				409	20⅛	19½	19⅝	− ½

Continued on Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full

WORLD STOCK MARKETS

LONDON DEALING

Reform talks search for a rule book

THE LONDON Stock Exchange ruling council will today discuss the type of dealing which will be allowed under the new rules aimed of liberalising trading in overseas securities, *writes John Moore in London.*

This attempt to clarify the rules for dealing in overseas securities marks the first stage in a programme of reform at the stock exchange.

In an agreement with the Conservative Government last summer the stock exchange agreed to dismantle its rules setting minimum scales of commission by the end of 1986 and admit outsiders to its regulatory bodies. In return, the Government agreed to exempt the stock exchange from the effects of restrictive practices legislation.

As a first stage in the dismantling of minimum commissions, the stock exchange council has decided to introduce negotiated rates of commission on overseas securities.

In a series of changes on dealings in overseas securities, the stock exchange council has said that member firms of the exchange will be permitted to form subsidiary companies called "international dealers." Outside firms will be able to hold equity in the international dealing subsidiary, providing that the member firm holds more than 50 per cent of the equity.

Consortiums of broking firms and jobbing firms together may control an international dealership.

Following amendments to last December's rules, the stock exchange is clarifying the form of trading that may take place in overseas securities.

● Bisgood Bishop, the stockjobber or market maker, has held talks with a number of parties with a view to forming a commercial link. No deal has yet been finalised and the firm said yesterday that it was considering "a number of alternatives."

EUROPE

Continued from Page 25

Paris, with advances outnumbering declines two to one. Elf-Aquitaine added FFr 8 to FFr 210 but Moët-Hennessy slipped FFr 22 to FFr 1,400 as each provided trading results and forecasts. Peugeot strengthened FFr 14 to FFr 257.

The focus of a steady **Brussels** day came after the close, when Petrofina announced improved profits and dividend along with a one-for-10 scrip. Ahead of this it put on BFr 20 to BFr 6,900, while movements elsewhere in the market included a BFr 130 gain for UCB in chemicals at BFr 5,450 and a BFr 70 dip by Vieille Montagne to BFr 4,360.

A healthy earnings trend among **Stockholm** banks brought gains of SKr 4 for Handelsbanken at SKr 226 and SKr 3 in SE-Banken at SKr 329 as the bourse had another strong and active day.

Volvo stood out with a rise of SKr 10 to SKr 480 on last week's results, and Pharmacia reversed setbacks of recent days to rally SKr 6 at SKr 316.

Copenhagen suffered from the Danish parliamentary impasse, but **Oslo** held steady.

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

SINGAPORE

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

ITALY

SOUTH AFRICA

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 27

NEW YORK CLOSING PRICES

Continued from Page 27

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

MONTREAL	Jan 30	Jan 27	Jan 26	Jan 25	1983-84 High	1983-84 Low
Industrials	428.42	433.5	434.77	436.15	461.4(6/1)	433.5(27/1)
Combined	414.35	418.8	419.82	420.62	433.87(6/1)	418.8(27/1)
TORONTO Composite	2490.6	2504.3	2507.9	2507.9	2585.7(6/1)	2504.3(27/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

WORLD Capital Intl. (1/1/70)	—	185.2	185.3	186.5	187.2 (20/1/84)	154.3 (3/1/83)

** Saturday January 28: Japan Nikkei-Dow 10,306.5. TSE 778.32.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50: Standard and Poors—10; and Toronto—1,000: the last named based on 1976. † Excluding bonds. ‡ 400 industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Equity leaders become unsettled late but session featured by speculative activity

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Jan 16	Jan 26	Jan 27	Feb 6
Jan 30	Feb 9	Feb 10	Feb 20
Feb 13	Feb 23	Feb 24	Mar 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

A maked expansion in speculative activity highlighted yesterday's first session of a new fortnightly trading Account in London equity markets. Leading shares were pushed to the sidelines and late in the day became suddenly nervous. This weakness relegated the importance of the earlier interest in special situation issues, which embraced many old chestnuts but included a few new names.

Reflecting the lack of institutional enterprise, top-name shares were unable to maintain an early extension of Friday's after-hours' strength. During the morning, the FT Industrial Ordinary share index moved slightly above its record closing level of 840.5, but it eased back as the trend became more irregular.

Blue chip industrials which had recently attracted above-average support began to look tired, although little selling developed. **Hawker Siddeley** encountered fresh American demand and, helped by vague talk of a possible transatlantic bid, surged higher initially. **Lucas Industries** responded to UK institutional buying and **P & O Deferred** benefited from revived hopes that the Monopolies Commission would soon give clearance to the Trafalgar House offer.

GEC, however, were unsettled throughout the session by thoughts that the Government White Paper on Defence could be announced ahead of schedule. The Electrical sector's weakness was in fact one of the principal factors leading to a nervous after-hours' trade in equities as a whole and the 30-share index, only fractionally easier at 3 pm, closed a net 7.3 down at 832.2. Disappointment with Wall Street's response to President Reagan's decision to seek re-election also undermined sentiment.

Gilt-edged securities traded quietly but moved higher in line with LIFFE market indications. Longer-dated stocks gained ⅜ in places and the Government broker ran out of supplies of the recently created £100m trance of Treasury 9½ per cent 1999, at 94½; he remained open to bids for stock of Treasury 9½ per cent 1988 and Treasury 9 per cent 1992/96, tranches of which were also made available to the market on January 24.

Phoenix down late

A rising market of late on talk of a bid from Allianz, **Phoenix** fell sharply after-hours from an enhanced 435p to close 15 down on balance at 413p following reports that Allianz had acquired the insurance business of U.S. steel products concern, Armco; **Allianz** closed 1½ points dearer at £209. Among other Composite Insurances, **Royals** firmed 10 to 535p after comment on the group's dividend potential, while **GRE** closed 7 better at 540p. In Lloyds Brokers, **Hogg Robinson**, recently favoured on U.S. bid speculation, rose 7 more to 160p in response to an investment recommendation. **Stewart Wrightson** gained 11 to 338p and **Sedgwick** put on 3 to 235p.

Merchant banks were highlighted by a fresh flurry of speculative activity in **Minster Assets**; as bid hopes strengthened the shares touched 139p before closing 10 up on balance at 134p. Hire Purchases featured **United Leasing**, 12 up at 237p in a thin market.

Financial advertising agency **Valin Pollen International** staged a highly successful debut in the Unlisted Securities Market; placed at 110p, the shares opened at 140p and rose steadily to 166p before closing at 163p.

Press suggestion that any further bid from Hanson Trust would be close to the current market price induced a bout of profit-taking in **London Brick**, which reacted to 159p before picking up again to close just 2 cheaper on balance at 161p. Fellow brick concern, **Ibstock Johnsen**, put on 5 to 194p on speculation that **Marley**, 3 dearer at 86p, was contemplating a bid for the company. Elsewhere in the Building sector, leading Contracting and Construction issues recovered from a cautious start to close on a firm note. **Barratt Developments**, a friendless market of late, encountered revived support and firmed 6 to 172p. **Taylor Woodrow** rose 15 to 670p and **Costain** 6 to 268p, while **John Mowlem** added 4 to 228p, the last-named following a circular from brokers Scrimgeour Kemp-Gee. **John Laing** continued to attract buyers and gained 5 more to 163p. The sharply increased interim profits lifted **Vibroplant** 10 to 170p.

Interest in **ICI** remained at a low ebb and the close was a net 4 off at 626p. Among other Chemicals, **Amersham International** firmed 5 to 221p following a re-rating by brokers Quilter Goodison. **Croda International** Ordinary drew fresh support on takeover hopes and added 3 to 108p; the Deferred put on 5 to 68p.

Speculative activity in **House of Fraser** was quickly resumed following as weekend Press suggestion that a U.S. consortium would soon anounce bid terms worth around 350p per share for the group; the shares, up 28 last week, rose 6 more to 284p, after 286p. **Lonrho** also continued strongly and closed a further 7 better at a new peak of 131p with buyers anticipating that the group could be tempted to realise the substantial profit on its near 30 per cent stake in Fraser; Lonrho paid an average of 150p per share for the holding.

Elsewhere, **Mellins** extended Friday's speculative gain of 6 with a fresh advance of 12 to 72p, while **Allebone** fared well at 35p, up 6. **Cecil Gee** put on 4 to 131p, **WW** firmed 6 to 136p and **Heelamat** gained 7 to 80p.

Leading Electricals encountered some fairly persistent selling, part of which was aroused by fears of competition following Nippon Electric's plans to build a UK plant for the manufacture of telecommunications and office automation equipment. **Plessey** were particularly dull and closed 14 cheaper at 222p, while **GEC** fell 9 to 182p xd. In contrast, **Dreamland Electrical** featured with a rise of 10 to 29p, after 32p, on news that Valor had acquired a 29.9 per cent stake in the company. Weekend Press mention stimulated demand for **Automated Security**, 13 higher at 210p, and **Acorn Computer**, 9 dearer at 136p. **Crystalate**, still awaiting news of the proposed sale of its fine china interests, advanced 9 further to 227p. **Multitone** fell 10 to 110p following a switch to **Pressac** recommendation; the latter were a couple of pence harder at 210p.

With the exception of **Hawker**, up 8 at 414p, after 424p, on a revival of U.S. demand, leading Engineers trended easier. **GKN** ended 9 lower at 203p and **TI** 8 cheaper at 198p. Elsewhere, **Bullough** responded to Press mention with a rise of 20 to 305p xd. **Newman-Tonks**, 89p, up 2, and **Neepsend**, a like amount dearer at 17p, reflected satisfactory trading statements. **Brockhouse** fell 5½ to 32p following details of the Caparo rescue operation; discussions are taking place on the basis that Caparo will subscribe £5m of new capital at par and acquire a controlling interest in Brockhouse. **Hallite**, down 10 more at 190p, continued to reflect the interim profits setback.

Rumours that the group would unveil a rights issue with its preliminary results today unsettled **S. & W. Berisford**, which shed 11 to 200p. **Rowntree Mackintosh**, a recent takeover favourite, came back 14 to 246p on profit-taking, but other leading Foods fared better, with **Tate and Lyle** hardening 3 to 415p. **Argyll** found support and firmed 4 to 158p, while **Associated British Foods** improved a couple of pence to 168p.

Powell Duffryn jump

Powell Duffryn raced up to 348p in active trading before settling at 340p, up 30p, on bid speculation prompted by the revelation that Hanson Trust had a 4.58 per cent stake in the company. **UKO International** were briskly traded again at 153p, up 11, after 162p, amid rumours that Turkish interests were building up a stake. Bid speculation left **Prestige Group** 25 to the good at 255p and **Rank Organisation** 9 higher at 238p. Press mention directed buying attention to **J. Williams (Cardiff)**, which put on 6 to 24p, and **Caparo Industries**, a similar amount up at 43p. **European Ferries** improved 5 to 87½p in anticipation of early news on the proposed sale of Singer and Friedlander. **Highgate and Job**, a poor market of late, staged a smart revival at 220p, up 35.

After Friday's speculative gain of 5½, **GRA Group** touched 52½p before closing ½ cheaper on balance at 51p following news that Seaforth Investments had disposed of their entire holding of 4.5m shares in the company. 1.66m GRA shares have been acquired by **Marchwiel**, and 482,000 by **Scott's Restaurants**. Marchwiel rose 8 to 224p and Scott's advanced 30 to 350p.

Good preliminary results and news of the increased dividend payment lifted **Television South** 10 to 100p.

Institutional support was evident for **Lucas** which touched 212p before closing 9 better at 209p. Among other Motor Components, **Flight Refuelling** attracted speculative demand in a thin market and rose 23 to 260p, while **Abbey Panels** put on 7 to 55p for a similar reason.

Fleet Holdings continued firmly, hardening a penny more to 188p, with sentiment still underpinned by reports that Mr Robert Holmes a Court is trying to increase his shareholding, currently standing at around 8 per cent. Elsewhere in Newspapers and Publishing, **Home Counties** firmed 5 to 120p and **International Thomson** appreciated 10 to 815p.

Selectively firm Properties featured **Great Portland Estates**, which attracted revived institutional interest and put on 8 to 152p. **Land Securities** firmed 5 to 276p and **MEPC** improved 6 to 277p. **Stock Conversion** added 5 at 320p following better-than-expected interim results, while **Slough Estates** gained 4 to 128p in the wake of its successful bids for Allnatt London and Guildhall Property.

P & O Deferred stood out in Shippings, rising 10 to 270p, after 272p, on a good demand which reflected revived hopes that the Monopolies Commission will give clearance to the Trafalgar House bid.

Allied gave a good performance in Textiles, rising 11 to 281p on buying ahead of today's preliminary results.

A good business developed in **Imperial Group**, up 2 at 159p, as buyers showed increased interest ahead of the annual figures, scheduled for February 9.

Gains of 10 were fairly commonplace in Financial Trusts. **Aitken Hume**, 162p, **Akroyd and Smithers**, 480p, **Centreway Trust**, 335p, and **R. P. Martin**, 280p, all closed that much better.

Oils easier late

Leading Oils took a breather following the excitement of the previous week. After opening a few pence higher anticipating further demand, quotations drifted back in the absence of fresh support, with the tone deteriorating quite noticeably in the late dealings on early Wall Street advices. **British Petroleum** finished 4 cheaper on balance at 448p, after 456p, and **Shell** a couple of pence off at 658p, after 665p. **Burmah** encountered late offerings and shed 9 to 187p, while **Tricentrol** relinquished 8 to 210p. **Ultramar** held up well and ended only a few pence cheaper at 695p. Tiffany field participants **LASMO** and **IC Gas** both encountered profit-taking, the former losing 12 to 338p and the latter 13 to 288p. On a brighter note, **Pict Petroleum** drew fresh support on exploration hopes and put on 7 to 180p. **Anvil** gained the same amount to 90p. **Moray Firth** added 6 to 28p helped by call option business. Irish exploration issues suffered a setback on talk that **Atlantic Resources** is experiencing operation difficulties; Atlantic reacted to 590p before settling a net 35 down at 625p, while **Aran**, after touching 80p initially, slipped to close a couple of pence off at 76p. **Eglinton** eased 5 to 345p.

The restructuring details of certain UK plantation companies connected with **Harrisons Malaysian Plantations Berhad** and **Harrisons and Crosfield** prompted sharp upward adjustments in those concerned; **Holyrood** jumped 8 points to £43, **Sogomana** advanced 85 to 600p and **Castlefield** appreciated 60 to 850p. **Kinta Kellas** put on 30 to 280p and **Malaysia Rubber** 27 to 210p, while **Doranakande** rose 25 to 195p.

Golds quietly firm

Mining markets began the new Account on the same subdued note as they finished the last. This followed another unexciting sessions in precious and base-metal markets coupled with sterling's steady performance against the dollar.

A shade firmer from the outset, reflecting last Friday's advices from Wall Street and a slightly firmer bullion price, South African Golds encountered scrappy selling from U.S. and Johannesburg sources. Dealers again reported exceptionally thin trading and scattered support from the Continent together with domestic currency influences left modest gains for choice.

Western Deep, £33¾, **Free State Geduld**, £24½, and **President Steyn**, £28¾, all rose ½, while **Vaal Reefs** hardened ½ to £72½. Among the more marginal counters, **West Rand**, 469p, and **Grootvlei**, 906p, firmed 17 apiece, while the veteran **Simmer and Jack** closed 10 dearer at 330p.

Recent speculative favourite **Consolidated Murchison** fell 35 to 815p owing to the liquidation of bull positions.

Bullion closed $0.5 up at $369.875 per ounce, while the Gold Mines index rose 2.8 to 534.3.

Business in London-based Financials improved, although best price levels were not maintained. **RTZ** advanced to a 1983-1984 high of 678p before settling only 2 up on balance at 675p following a reiterated "buy" recommendation from brokers De Zoete and Bevan. **Consolidated Gold Fields**, subject of a re-rating from the same broker, rose 8 to 527p, after 530p.

The closure of domestic markets for the Australia Day celebrations resulted in a quiet session among "down-under" stocks. Once again, attention was centred on exploration issues, particularly those with interests in the Turtle No. 1 well in the Bonaparte Gulf off Western Australia. Gains were pared late, however, and **Western Mining** settled only 2 up at 278p, after 280p. **Canada Northwest**, up to 62p at one stage, closed a net penny off at 56p. **Cultus Pacific** attained a new high for the year of 28½p, but reacted to finish a fraction off on balance at 25½. All were subject to UK option business.

Escalating takeover speculation continued to influence **Claremont Petroleum**, which advanced 10 more to 138p.

The uncertain performance of London equities failed to dampen enthusiasm for Traded Options which attracted 6,158 contracts — well above last week's daily average of 4,847. **Imperial Group** positions were again in demand with 1,017 calls struck, 685 in the May 160's. **Lonrho** positions recorded 1,063 trades, 173 in the February 110 calls and 207 in the February 120 calls. **GKN** and **British Petroleum** attracted 834 and 401 calls respectively.

FINANCIAL TIMES STOCK INDICES

	Jan. 30	Jan. 27	Jan. 26	Jan. 25	Jan. 24	Jan. 23	year ago
Government Secs ...	83.08	82.75	82.83	82.87	82.91	82.74	77.02
Fixed Interest	87.47	87.43	87.27	87.24	87.20	87.14	79.07
Industrial Ord..........	832.2	839.5	835.1	840.5	834.9	814.9	622.7
Gold Mines	534.3	531.5	530.6	528.1	524.9	541.3	677.0
Ord. Div. Yield.........	4.34	4.31	4.32	4.29	4.36	4.41	4.88
Earnings, Yld.% (full)	9.17	9.10	9.08	9.01	9.16	9.26	10.47
P/E Ratio (net) (*).....	13.28	13.43	13.49	13.58	13.36	13.32	11.46
Total bargains...	32,010	28,722	26,801	27,013	28,722	29,366	25,280
Equity turnover £m.	—	400.23	425.16	351.64	326.86	261.17	235.51
Equity bargains	—	28,811	28,189	23,076	22,609	26,058	27,217
Shares traded (ml)...	—	239.0	245.8	197.9	182.2	159.6	164.5

10 am 840.3. 11 am 841.2. Noon 841.4. 1 pm 840.9. 2 pm 840.3. 3 pm 839.2.

Basis 100 Govt. Secs. 8/1/28. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=12.56.

HIGHS AND LOWS

—	1985/84 High	1985/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.47 (30/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	840.5 (25/1/84)	598.4 (12/1/83)	840.5 (25/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 30	Jan. 26
—Daily		
Gilt Edged Bargains ...	155.6	154.5
Equities Bargains ...	186.7	182.6
Value ...	809.0	859.3
5-day Average		
Gilt Edged Bargains ...	163.5	170.2
Equities Bargains ...	166.8	163.6
Value ...	713.5	699.3

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section	Mon Jan 30 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri Jan 27 Index No.	Thurs Jan 26 Index No.	Wed Jan 25 Index No.	Tues Jan 24 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (205)	490.99	−1.1	8.64	3.63	15.00	496.36	494.62	495.66	491.29	428.52
2	Building Materials (25)	478.34	+0.2	10.70	4.46	11.63	477.26	477.34	473.42	470.21	414.98
3	Contracting, Construction (32)	734.53	+1.9	12.85	4.86	9.71	721.14	724.11	720.45	721.04	733.42
4	Electricals (15)	1760.66	−0.6	6.90	3.82	18.44	1779.49	1761.57	1770.84	1741.95	1553.18
5	Electronics (24)	1651.45	−3.6	8.54	2.24	15.37	1713.89	1699.92	1709.26	1662.73	0.00
6	Mechanical Engineering (64)	238.08	+0.7	9.81	4.76	12.63	236.35	236.31	237.41	234.43	198.39
8	Metals and Metal Forming (9)	198.43	−0.6	8.30	5.91	15.71	199.62	198.18	199.67	196.39	167.64
9	Motors (17)	136.35	+2.1	1.38	3.98	—	133.59	133.59	133.23	132.48	79.21
10	Other Industrial Materials (19)	631.47	−0.1	4.97	3.52	27.37	632.34	632.46	635.14	631.27	388.15
21	CONSUMER GROUP (196)	491.38	−0.3	9.85	4.11	12.44	492.77	493.16	494.21	486.76	410.00
22	Brewers and Distillers (23)	479.43	−0.3	12.11	5.02	10.34	480.81	481.75	482.48	468.18	454.70
25	Food Manufacturing (22)	398.15	−0.2	11.88	5.14	9.90	399.65	399.42	399.10	394.56	342.51
26	Food Retailing (12)	1108.94	−0.1	7.48	2.63	17.20	1110.21	1107.42	1108.25	1104.42	849.97
27	Health and Household Products (9)	753.53	−0.7	6.25	2.92	18.80	758.87	761.70	764.87	753.95	712.13
29	Leisure (29)	647.01	−1.0	8.55	4.37	15.06	653.84	654.60	661.98	658.73	481.11
32	Newspaper, Publishing (15)	1226.71	—	7.70	3.97	15.49	1227.16	1219.42	1216.62	1205.32	699.12
33	Packaging and Paper (15)	245.50	+0.1	10.29	4.07	11.95	245.33	244.19	241.39	240.48	157.65
34	Stores (47)	436.85	−0.3	7.86	3.55	17.29	438.35	439.14	441.14	435.92	349.97
35	Textiles (19)	278.51	+0.3	10.91	4.24	10.61	277.64	276.62	276.30	269.45	179.70
36	Tobaccos (3)	572.92	+0.4	17.35	5.58	6.45	570.57	570.82	570.82	568.22	583.40
39	Other Consumer (8)	485.72	+1.7	9.77	5.29	—	477.63	477.55	475.98	471.50	360.90
41	OTHER GROUPS (83)	445.25	+0.9	7.53	4.01	16.80	441.31	442.17	441.72	438.63	386.45
42	Chemicals (16)	631.58	−0.5	7.01	4.04	18.98	634.85	638.39	638.18	635.69	486.66
44	Office Equipment (5)	135.28	+3.0	6.45	5.48	21.41	131.32	129.29	129.74	126.26	100.51
45	Shipping and Transport (14)	885.55	+2.7	7.17	4.58	18.86	862.07	860.54	859.85	851.17	533.51
46	Miscellaneous (48)	577.77	+1.6	8.20	3.70	14.62	568.81	569.46	568.24	564.11	430.58
49	INDUSTRIAL GROUP (484)	489.65	−0.4	9.08	3.94	13.77	491.38	491.18	491.98	486.18	400.62
51	Oils (16)	1070.93	−0.7	10.41	5.53	11.66	1078.77	1065.09	1056.79	1021.28	712.79
59	500 SHARE INDEX	538.41	−0.4	9.31	4.21	13.36	540.65	539.30	539.32	530.99	426.45
61	FINANCIAL GROUP (122)	395.23	+0.7	—	4.95	—	392.45	393.32	394.55	388.96	293.89
62	Banks (6)	421.95	−0.1	20.35	6.07	5.33	422.21	420.99	425.91	413.71	304.83
63	Discount Houses (8)	431.64	−0.7	—	6.53	—	434.72	434.49	439.57	438.83	270.71
65	Insurance (Life) (9)	544.54	+0.6	—	4.13	—	541.56	544.15	543.59	542.30	365.48
66	Insurance (Composite) (9)	261.59	+0.7	—	6.34	—	259.72	262.04	263.12	258.81	206.80
67	Insurance Brokers (6)	664.53	+1.0	10.30	4.33	13.38	657.99	663.30	665.58	663.48	561.18
68	Merchant Banks (12)	251.21	—	—	3.77	—	251.10	250.82	250.98	249.26	164.67
69	Property (54)	553.22	+1.3	5.51	3.58	24.35	546.02	547.51	548.09	542.59	433.57
70	Other Financial (18)	283.65	+2.2	9.77	4.84	12.26	277.63	277.36	274.96	271.21	210.65
71	Investment Trusts (107)	515.76	+0.4	—	3.46	—	513.49	516.14	513.63	508.37	356.55
81	Mining Finance (4)	311.56	+0.7	8.46	4.68	14.52	309.36	308.65	306.68	301.19	271.65
91	Overseas Traders (15)	561.80	+2.2	6.80	6.66	20.95	549.51	545.85	549.40	544.15	432.58
99	ALL-SHARE INDEX (748)	504.11	−0.1	—	4.33	—	504.73	503.90	504.18	496.66	395.02

FIXED INTEREST

	PRICE INDICES	Mon Jan 30	Day's change %	Fri Jan 27	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	118.31	+0.13	117.95	—	1.17
2	5-15 years	132.30	+0.39	130.59	—	1.49
3	Over 15 years	142.98	+0.55	142.24	—	0.00
4	Irredeemables	152.88	+0.67	151.86	—	0.00
5	All Stocks	130.12	+0.34	129.68	—	1.07
6	Debentures and Loans	108.69	+0.17	108.64	0.13	0.20
7	Preference	81.69	+0.29	81.63	0.17	0.31

	AVERAGE GROSS REDEMPTION YIELDS		Mon Jan 30	Fri Jan 27	Year ago (approx)
	British Government				
1	Low	5 years	9.71	9.69	9.28
2	Coupons	15 years	10.07	10.13	10.90
3		25 years	9.68	9.76	11.18
4	Medium	5 years	10.98	11.05	11.85
5	Coupons	15 years	10.66	10.73	12.09
6		25 years	10.04	10.09	11.70
7	High	5 years	11.15	11.22	12.00
8	Coupons	15 years	10.83	10.88	12.22
9		25 years	10.14	10.21	11.79
10	Irredeemables†		9.67	9.74	11.06
11	Debs & Loans	5 years	11.58	11.51	12.05
12		15 years	11.53	11.51	12.85
13		25 years	11.53	11.51	12.85
14	Preference†		12.15	12.15	13.21

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C $375	[illegible]	[illegible]	22	20	15	27	$370.50
GOLD C	[illegible]	1	15	9	7	18	"
GOLD C	[illegible]	—	14	3.50	16	9.50	"
GOLD C	[illegible]	[illegible]	6	2.50	—	—	"
[illegible]							

TOTAL VOLUME IN CONTRACTS: 43,232

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ● Provisional or partly-paid allotment letters. ■ Allotment letters (or fully-paid). ‖‖ Introduced. ✤ Unlisted Securities Market. § Placing price.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Berisford (S. & W.)...	200	−11
Dreamland Elect'l. ...	29	+10
House of Fraser	284	+ 6
Ibstock Johnsen	194	+ 5
LASMO	338	−12
London Brick	161	− 2
Mellins	72	+12
P. & O. Defd.	270	+10
Powell Duffryn	340	+30
Rank Org.	238	+ 9
Shell Transport	658	− 2
UKO Int'l.	153	+11

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
U.K.O. Intn'l.	44	142	+20
Strong & Fisher	34	225	+10
Hampton Trust	29	33	+ 4
Ingram (H.) ...	26	408	+50
Lon. & North'n	26	77	+10
LASMO	26	350	+20
R'ntree M'k'sh	25	260	+18
London Brick...	21	163	+ 3
Pilkington Bros	21	275	+15
Applied Comp.	20	585	+30
Canning (W.)	20	104	+18
Gestetner 'A'	20	87	+ 7
G.K.N.	20	212	+ 7
Tricentrol	20	218	+ 6

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	79	1	22
Corpns. Dom. and Foreign Bonds ...	19	—	58
Industrials	441	226	742
Financial and Props.	181	53	288
Oils	47	25	49
Plantations	12	—	8
Mines	63	23	85
Others	51	60	62
Totals	893	388	1,314

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 23	Feb 3	Apr 26	May 8
Feb 6	Feb 17	May 10	May 21
Feb 20	Mar 2	May 31	June 11

For rate indications see end of Share Information Service

Demand for Options increased substantially and calls were arranged in Brockhouse, Booker McConnell, UKO, ICL, Bristol Oil and Minerals, Home Energy, Lonrho, Queens Moat Houses, Premier Oil, Shell Transport, Atlantic Resources, GRA, Talbex, Francis Industries, Barratt Developments, Phoenix Assurance, A & M Hire, Hampton Trust, Gestetner A, Turner and Newall, Bula, John Folkes Hefo, African Lakes, Imperial Group, Claremont Petroleum, Strong and Fisher, Home Counties Newspapers, Bowater, Tricentrol, Canada North West, Anvil Petroleum, Northern Goldsmiths, Boustead, Guinness Peat, Lonrho, Western Mining, Saxon Oil, Fleet Holdings, Chamberlain Phipps, Pentland, Moray Firth, First National Finance, Hanson Trust, BP, Cultus Pacific, W. Canning, Sterling Guarantee Trust, John Brown, F. Miller (Textiles), Exco International, Wellman Engineering, Oil Search and York Resources. Puts were taken out in UKO and Immediate Business Systems, while a double was struck in London and Liverpool.

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (205)

BRITISH FUNDS (2)
INT BANK & OVERSEAS GOVT. STLG ISSUES (2)
LOANS (1)
FOREIGN BONDS (1)
AMERICANS (5)
BANKS (10)
BREWERS (3)
BUILDINGS (5)
CHEMICALS (5)
STORES (9)
ELECTRICALS (11)
ENGINEERING (15)
FOODS (6)
HOTELS (1)
INDUSTRIALS (33)
INSURANCE (8)
LEISURE (3)
MOTORS (4)
NEWSPAPERS (2)
PAPER (2)
PROPERTY (9)
SHIPPING (2)
SHOES (1)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (39)
OILS (11)
OVERSEAS TRADERS (2)
PLANTATIONS (3)
MINES (5)

NEW LOWS (7)

BREWERS (1)
Forshaws Burtonwood
ELECTRICALS (2)
Multitone Elects Utd Scientific
ENGINEERING (1)
Hallite
FOODS (1)
Park Food
INDUSTRIALS (2)
Cole Inds Flogas

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*451)	390	70	77	—	5	7	—
	420	47	52	63	12	20	25
	460	18	28	35	35	40	45
Cons. Gold (*529)	450	82	92	—	6	[illegible]	[illegible]
	500	52	60	70	22	[illegible]	[illegible]
	550	27	32	40	47	[illegible]	[illegible]
[illegible]							

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
LASMO (*341)	240	122	122	125	1½	3	4
	260	92	108	112	2	5	10
	280	73	92	98	3	8	14
	300	56	73	83	5	15	18
[illegible]							

Jan. 30. Total Contracts 6,158. Calls 5,101. Puts 1,057.
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983-84 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
104⅛	100¾	Exchequer 14pc 1984	101⅛	.....	13.81	9.21
97⅞	92½	Exch. 3pc 1984	97⅝	.....	3.07	9.29
102⅜	100⅛	Treasury 12pc 1984	101½	.....	11.32	9.40
107⅝	104⅛	Treasury 15pc 1985	105¼xd	.....	14.23	9.55
107	101⅛	Exch. 12pc Cnv. '85	102½	–⅛	11.71	9.60
94⅜	88⅝	Treasury 3pc 1985	94⅜	.....	3.18	7.65
102½	94⅞	Treasury 11½pc 1985	102⅛		11.24	9.75
102	95	Treas 8¼pcCnv '85	99⅛	.....	8.82	9.31
103⅛	100⅜	Exch. 12¼pc 1985	105⅛	.....	11.86	10.14
102⅞	99⅛	Exch. 11¾pc '86	102⅝xd	+⅛	11.43	10.22
102¼	97¼	Treas 10pc Cnv 1986	101⅛	+⅛	9.89	9.32
89⅞	85⅝	Treasury 3pc 1986	89⅝	.....	3.36	8.16
101⅝	97⅜	Exch. 10½pc Cv '86	100⅝	+⅜	10.41	10.05
103⅝	100⅛	Treasury 12pc '86	103⅛	+⅛	11.54	10.47
98¼	94⅞	Treasury 8¼pc '84-86‡‡	98¼	+⅛	8.65	9.31
109⅜	105⅜	Exch. 14pc 1986	107⅝	+⅛	13.01	10.67
86⅛	84½	Exch 2½pc 1986	86⅛	+⅛	2.90	8.11
107½	103⅝	Exch. 13¼pc 1987	106⅛	+⅛	12.46	10.68
100⅝	95⅞	Treas 10¼pc Cnv '87	99⅝xd	+⅛	10.31	10.47
84⅝	80¼	Exchequer 2½pc 1987	84⅝xd	+⅛	2.95	8.28
100⅛	95⅞	Exch 10½pc 1987	99⅜	+⅛	10.56	10.60
93¼	88⅝	Funding 6½pc '85-87‡‡	92⅛	+⅛	7.06	9.35
98⅝	96	Treas 10pc 1987	98⅛	+¼	10.19	10.64
86	80¼	Treasury 3pc 1987	83⅜	.....	3.59	8.60
104⅝	99⅞	Treas 12pc 1987	103½	+⅛	11.59	10.81
159	89⅝	Treasury 7¾pc '85-88‡‡	94⅝	+⅛	8.19	9.39
101½	95½	Exch 10½pc '88	99⅛	+⅛	10.57	10.69
98⅛	95⅝	Treas 9¾pc Conv '88	97⅜	+¼	10.02	10.51
81⅞	75¾	Transport 3pc '78-88	81⅝	+⅛	3.67	8.00
96⅛	90⅝	Treas. 9½pc '88	95¼	+⅛	9.97	10.78

Five to Fifteen Years

1983-84 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
106¼	95¾	Treasury 11½pc 1989	101¼xd	+⅜	11.39	10.99
103	94¼	Treas 10½pc 1989	98⅝	+⅜	10.67	10.88
97⅛	96⅝	Exch 10pc 1989	97½	+⅛	10.42	11.04
83⅞	76	Treasury 5pc '86-89	83⅞	+¼	6.07	9.00
114	103	Treasury 13pc 1990‡‡	109⅛	+¼	12.09	11.21
110⅝	100⅞	Exch. 12½pc 1990	110	+⅛	11.35	11.22
93¼	86¼	Treasury 8¼pc '87-90‡‡	91	+⅜	9.17	10.49
20⅝	20	Treas 10pc Cv '90 (£20pd)	20⅝	+¼	10.38	10.79
108¼	97	Treasury 11¾pc 1991	103	+⅜	11.48	11.25
83	74⅝	Funding 5¾pc '87-91‡‡	82⅞	+¼	7.19	9.44
103	95⅞	Exch. 11pc 1991	102½	+⅜	11.05	11.07
114⅝	102	Treasury 12¾pc '92‡‡	109¼	+⅜	11.81	11.21
100⅝	88¼	Treasury 10pc 1992	95½xd	+⅜	10.42	10.77
111⅛	98½	Exch. 12¼pc '92	104¼xd	+½	11.60	11.25
117	106½	Exchequer 13½pc '92	116⅝	+½	12.08	11.31
114	101¼	Treasury 12½pc '93‡‡	103¼	+⅜	11.61	11.16
79⅞	71	Funding 6pc 1993‡‡	78½	+¼	7.87	9.58
120¼	110½	Treasury 13¾pc 1993‡‡	117¼	+⅜	11.99	11.23
126¼	112⅜	Treasury 14½pc '94‡‡	119½xd	+⅜	12.04	11.69
117⅝	109⅛	Exchequer 13½pc 1994	117	+⅜	11.92	11.24
114⅛	100½	Exch. 12½pc 1994	107½xd	+½	11.55	11.16
94⅝	86¼	Treasury 9pc '94‡‡	92¼	+½	9.90	10.41
118⅝	98	Treasury 12pc '95	105⅝	+¼	11.30	11.13
65¼	61½	Gas 3pc '90/95	63¾	+⅛	4.76	8.06
101⅜	88¾	Exch. 10¼pc 1995	95⅛	+⅜	10.57	10.85
116⅝	106¼	Treasury 12¾pc '95‡‡	114	+⅜	11.45	11.08
126⅛	110	Treas. 14pc '96	116⅝	+½	11.84	11.19
94⅝	83¼	Treasury 9pc '92/96‡‡	93⅝	+½	9.99	10.44
133⅜	121⅛	Treasury 15¼pc '96‡‡	130⅝	+⅜	12.02	11.16
121⅛	109⅛	Exchequer 13¼pc '96‡‡	112⅜	+½	11.45	10.91
70	58	Redemption 3pc 1986-96	68¼	.....	4.46	6.52
116¼	107	Treasury 13¼pc '97‡‡	116¼	+⅜	11.42	10.92
104½	89½	Exchequer 10½pc 1997	98¼xd	+½	10.61	10.65
92½	80½	Treasury 8¾pc 1997‡‡	87¼xd	+⅜	9.39	10.35
132	120¼	Exch. 15pc 1997	130¼	+½	11.83	11.13
78⅛	69½	Treasury 6¾pc '95-98‡‡	76⅝	+⅜	9.61	10.10
138¼	124¼	Treas. 15½pc '98‡‡	137	+½	11.76	11.05
114½	101	Exch. 12pc 1998	111⅛	+½	11.02	10.77
99	86¼	Treasury 9½pc 1999‡‡	94¼	+½	10.12	10.31

Over Fifteen Years

1983-84 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
116¾	103¾	Exch. 12¼pc 1999	115½	+⅝	11.01	10.72
104¼	92¼	Treasury 10½pc 1999	102⅜	+½	10.47	10.46
101½	98	Convers'n 10¼pc 1999	100½	+½	10.40	10.43
129¼	106	Treas. 13pc 2000	118¼	+½	11.05	10.70
128⅞	113¾	Treas. 14pc '98-01	124⅝	+½	11.46	10.93
116⅝	99¼	Exch. 12pc '99-02	110⅛	+⅝	10.91	10.55
130	111	Treas. 13¾pc 2000-03	123⅝	+⅝	11.14	10.76
114⅞	99¾	Treasury 11½pc '01-04	113½	+⅝	10.52	10.33
50⅝	43½	Funding 3½pc '99-04	49⅝	+⅜	7.12	8.96
122⅛	106½	Treasury 12½pc '03-05	120¼	+⅝	10.61	10.35
87½	77¼	Treasury 8pc '02-06‡‡	86½	+½	9.53	9.77
117⅜	99	Treasury 11¾pc 03-07	112⅛	+⅝	10.51	10.31
132¼	115	Treas. 13½pc '04-08	130⅞	+½	10.78	10.37
65½	53¾	Treasury 5½pc '08-12‡‡	64¼	+⅜	8.86	9.31
87⅛	71⅞	Treasury 7¾pc '12-15‡‡	82½	+⅝	9.41	9.52
122½	106¼	Exch. 12pc '13-'17	120⅞	+½	10.06	9.96

Undated

1983-84 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
42	35¼	Consols 4pc	40¼xd	+¼	9.94	—
37½	31¼	War Loan 3½pc‡‡	36½	+¼	9.75	—
47¼	37½	Conv. 3½pc '61 Aft.	44½	+⅜	8.86	—
32	28¼	Treasury 3pc 66 Aft	31½	+⅜	9.85	—

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY—Continued

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's	P/E
49	32½	MCD Group	49	..	ü1.0	2.2	2.9	22.4
		for MMT Computing see Electricals						
29	16	M.Y. Dart. 10p	27	+1	20.25	—	1.3	—
212	134	M'c'rthy Pk. 20p	152	.....	7.0	2.8	6.7	6.6
148	128	Macfarlane Gp.	143	.....	†3.52	2.1	3.5	17.5
46	33	Maclellan 20p	37	.....	d1.5	1.6	5.8	13.3
63	31	Macpherson (D.)	49½	+1	4.2	0.6	12.1	(9.2)
56	41	Magnolia Group	55		2.3	3.2	6.0	6.5
72	60	[illegible]	60		—	—	—	64.0
182	65	Man. Ship Can. £1	182	+2	3.5	6.8	2.8	5.5
86	48	Marley	86	+5	†2.5	0.5	4.2	(62.3)
47	30½	Marling Ind. 10p	46½	.....	†1.08	1.7	3.3	(20.9)
34	25	Marshall L'xy. 'A'	32	+1	‡1.2	—	‡	—
70	44	Marshall's Univ	68	-2	B—	—	—	118.4
32½	23	Martin-Black	29	.....	—	—	—	—
£130	£83	Mathesons 7¼%	£106	.....	Q7¼%	2.3	†7.3	—
352	154	Metal Box £1	350	-2	†11.55	3.2	4.7	(8.6)
158	104	Metal Closures	155	+2	5.7	1.8	5.3	(10.1)
36½	14	Metal Sciences 2½p	23	-1	—	—	—	—
19	6	Metamec Jentique	16½	-½	0.01	—	0.1	—
50	3	Mettoy	7#	.....	—	—	—	—
147	70	Midland Marts	115	.....	4.0	2.1	5.0	13.8
56	21	Molben Grp 1p	25	.....	†0.19	15.4	1.1	6.2
£271	£150	M'santo 5pc 82-6	£223	.....	Q5%	—	†2.3	—
147	76	Morgan Crucible	147	+3	†7.5	0.4	7.3	(49.0)
90	54	Moss (Robt.) 10p	84	+2	†2.0	2.4	3.4	15.5
245	155	MMW Computers	222	+5	4.0	4.0	2.6	13.7
67	42½	Nash Inds.	60		4.0	2.2	9.5	6.9
38	31	Neill&Sp'ncer 10p	38	+1	—	—	—	—
[illegible]								

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's	P/E
204	139	LWT "A"	[illegible]					
*147	45	[illegible]						
48	37	[illegible]						
132	97	Magnt. Ag[illegible]						
115	52	[illegible]						
170	110	[illegible]						
24½	17½	[illegible]						
128	17	[illegible]						
128	45½	Norton Op[illegible]						
30	22½	Owners [illegible]						
47	35	Photax [illegible]						
*147	84	[illegible]						
363	217½	Pleasura[illegible]						
173	108	Radio City [illegible]						
209	138	Riley Leis[illegible]						
132	83	Saga Ho[illegible]						
515	290	Samuelson [illegible]						
116	94	Scott. TV [illegible]						
68	27	SelecTV [illegible]						
27	15½	TSW 5p						
100	30	TVS N/V						
29	19	[illegible]						
100	76	Tottenham [illegible]						
142	64	Trid'nt TV [illegible]						
180	105	21st Cen[illegible]						
150	135	Tyne Tees [illegible]						
25½	14	Webb (J[illegible]						
92	75	Zetters 5[illegible]						

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
28½	13½	ACM 20c	17	.....	—	—	—
52	30	Allstate Expl. NL	30	.....	—	—	—
10½	3¾	Asia Oil & Mins.	4¼	.....	—	—	—
40	9	Austrain Mng. NL	21½	.....	—	—	—
25	11	Balmoral Res.	19	+4	—	—	—
60	30	Black Hill Mins.	30	.....	—	—	—
104	51	Bond Corp.	103	..	Q10c	0.7	6.6
183	116	Bougainville 1 Kina	158	.....	mQ3.21	1.2	1.3
396	204	CRA 50c	350	.....	tQ3c	—	0.6
[illegible]							

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

"Recent Issues" and "Rights" Page 31

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Insurances—continued

24 Ludgate Hill. EC4P 4BD. 01-248 9861

Capital Life Assurance

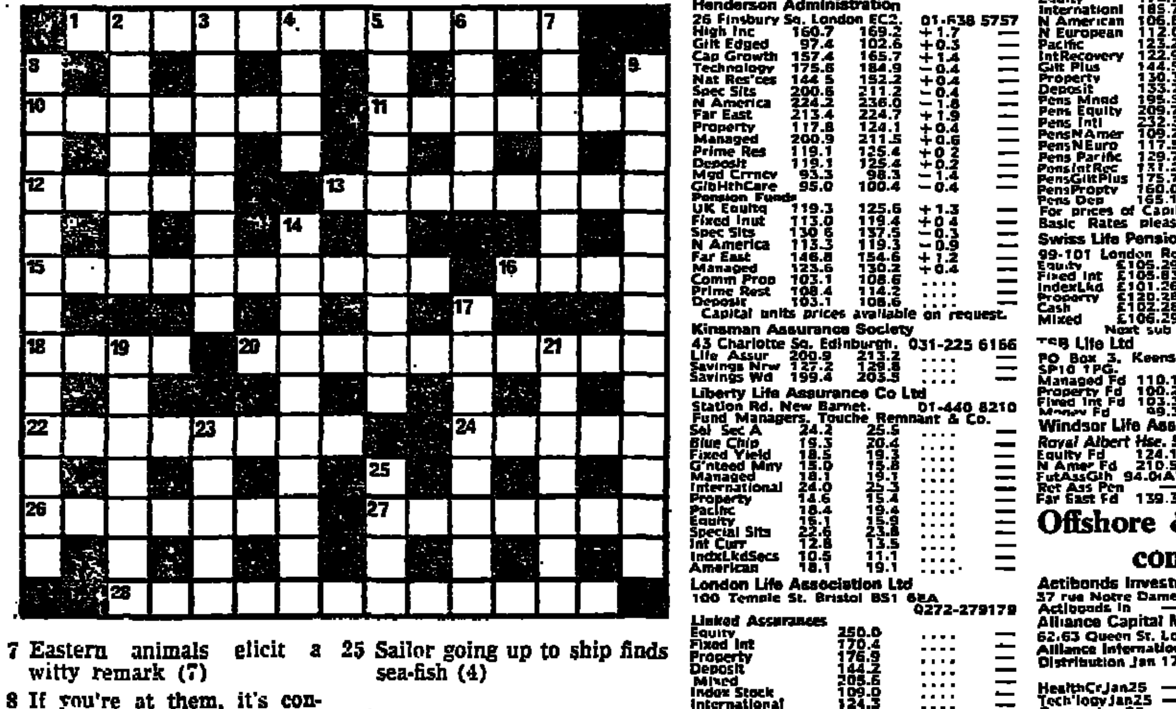
Key Inv Fd	—	128.6	....	—
Pcmkr Inv Fd	—	126.94	....	—
Equity Fd	105.91	111.48	....	—
Fxd Int Fd	103.29	108.73	....	—
Property Fd	99.08	104.29	....	—
Cash Fd	99.08	104.29	....	—
Managd Fd	106.63	112.24	....	—
Col Mut Life (Pension Annuities)				
MdPnCpA-B	99.22	104.45	....	—
MdPnIntA-B	99.29	104.52	....	—

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,330



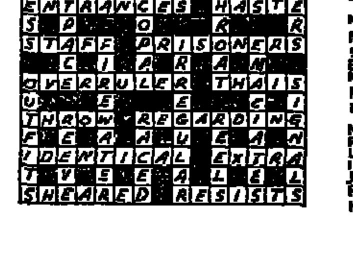
ACROSS

1 Puts car pedal in different position seeing Indian tree (7-5)
10 Massage Mrs Wilcox on discovering disease (7)
11 Rebellion leader returns to it—your first view of gluttony (7)
12 Dye isn't a mixture (5)
13 What divides Berlin, a tail-less bird? No a marsupial (8)
15 Part with merchandise—standard width fabrics (5-5)
16 A graduate having aspiration to be a nurse (4)
18 Butter (soft) is a swindle (4)
20 Possibly a sign Eros gave initially spotting attack (10)
22 Decoration made by ten Roman characters (8)
24 Encounter some main current (5)
26 Choose alternative—rejected type of magnet (7)
27 Return first class—mean to get a doctor for this? (7)
28 Traveller's joy is looking at elderly chap's growth (3, 4, 5)

DOWN

2 Shadow, for example, coming up causes resentment (7)
3 Thanks to fast time, little boy is showing skill (8)
4 Hundred dinars found in hiding place turned over (4)
5 King of Macedon's plant? (10)
6 Quiet nobleman is a gem (5)
7 Eastern animals elicit a witty remark (7)
8 If you're at them, it's conflicting (5, 8)
9 Well, he never admits to so being (13)
14 Medusa say, joins Emile for last course maybe (10)
17 A set time arranged for rough calculation (8)
19 Not more crazy headgear! (7)
21 Earnings right for new arrival (7)
23 Silenced Greek character at work on farm (5)
25 Sailor going up to ship finds sea-fish (4)

Solution to Puzzle No. 5,329



هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd.		243 19	...	—
Managed Inv. Fd.	164.78	173.46	...	—
Property Fd.	152 16	160 17	...	—
Fixed Interest Fd.	148.30	156.11	...	—
Cash Fd.	137.47	144.71	...	—
Income Fd.	181.54	191.10	...	—
Extra Income Fd.	174.41	183.59	...	—
Worldwide Growth Fd.	233.27	245.55	...	—
Balanced Fd.	183 11	192.75	...	—
Smlr Co's & Recy. Fd	210.19	221.26	...	—
Int. Technology Fd.	269.08	283.25	...	—
Nth. Amer. & Gen. Fd.	162.45	171.00	...	—
Energy Int. Fd.	108.48	114.19	...	—
Pacific Basin Fund	149.98	157.88	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	118.6	124.9	...	—
Property	120.0	126.3	...	—
Equity	126.0	132.6	...	—
International	135.4	142.5	...	—
Fixed Interest	103.7	109.2	...	—
Deposit	100.8	106.1	...	—
Managed Pen. Cap.	119.4	125.7	...	—
Property Pens. Cap.	121.4	127.8	...	—
Equity Pens. Cap.	121.2	127 6	...	—
Intnl. Pens. Cap.	141.9	149.4	...	—
Fixed Int. Pens. Cap.	100.2	105.5	...	—
Deposit Pens. Cap.	98 1	103.2	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Dec 29		97.4	...	—
Rtmt. Fed Jan. 6		280.3	...	—
Managed Pen Fund	193.8	204 0	...	—
Property Pen Fund	117.3	123.5	...	—
Index Lnkd Pen Fund	111.6	117.5	...	—
Managed	129.4	136.3	+1.6	—
Property	106.2	111.8	...	—
Gilt and Fixed Interest	108.9	114.7	+0.3	—
Index-Linked	97.3	102.5	...	—
Equity	131.1	138 0	+0.8	—
Cash	105.8	111.4	+0.1	—
Midland Bk. Unit Tst.	127.6	134.4	+0.7	—
Midland Bank Intnl.	150.5	158.5	+0.1	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£41.35	—	+0.04	—
Property Units	£17.40		...	—
Equity Bond/Exec	£26 76	28.32	+0.03	—
Prop. Bond/Exec.	£22.74	24.06	...	—
Bal. Bd./Exec/Unit.	£24.24	25 65	...	—
2nd Equity Acc.	208.2	220.3	+0.2	—
2nd High Inc/Acc	168.9	178.7	+1.0	—
2nd Property Acc	173.4	183.5	...	—
2nd Managed Acc.	175.4	185.6	-0.1	—
2nd Deposit Acc	146.5	155.0	...	—
2nd Gilt Acc.	144 9	153.3	...	—
2nd American Acc.	186.8	197.7	-0 7	—
2nd Intl Money Acc.	144 9	153.3	...	—
2nd Index Acc.	99 4	105.2	...	—
2nd Far East Acc.	103.7	109.7	+0.3	—
2nd Eq. Pens./Acc.	296 4	313.7	+0.4	—
2nd Hi Inc Pens/Acc.	180.4	190.9	+1.2	—
2nd Prp. Pens/Acc	222.9	235.9	...	—
2nd Mgd. Pens/Acc	226.1	237.3	...	—
2nd Dep. Pens/Acc	193.7	205.0	...	—
Gilt Pens/Acc.	189.6	200.6	...	—
2nd Am. Pens/Acc.	248.3	262.8	-1.3	—
2ndInt.MoneyPen/Acc.	177.5	187.8	+0.1	—
2nd Index Pens./Acc.	105.6	111.7	...	—
2nd Far East Pens/Acc.	104.9	110.8	-0.6	—
L & E S.I.F.	76.0	80.5	...	—
L & E S.I.F. 2	51.5	54.5	...	—

Current value at January 27

Capital Life Assurance
Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

Managed Growth	210.92	222.02	+1.58	—
Managed Income	98.64	103 84	+1.35	—
International	150.46	158.38	+0.46	—
High Income	127.43	134.14	+1.76	—
Income & Growth	131.34	138.25	+1.80	—
Basic Resources	149.45	157.31	+1.25	—
American	192.56	202.70	-1.97	—
Far Eastern (z)	219.69	230.25	+0.98	—
Smaller Cos	138 03	145.30	+1.70	—

City of Westminster Assurance
Sentry House, 500, Avebury Boulevard,
Central Milton Keynes MK9 2LA. 0908-606101

	Series (2)			(1) Bid
West Prop. Fund	99.3	104.6	...	95.1
Managed Fund	282.1	297.0	-0.2	297.3
Equity Fund	130.3	137.2	-0.9	128.7
Farmland Fund	77.1	81.2	...	74.2
Money Fund	183.2	192.9	...	185.1
Gilt Fund	117.0	123.2	-0.1	118.2
Natural Res Fd.	113.3	119.3	+0.3	113.3
PULA Fund	215.8	225.0		215.0
Sec. Prop. Units	85.6	89.8	+0.1	85.6
Sec. First Unit Fund	289.6	304.0	+0.2	289.6
PBR Fund	133.8	140.9	...	133.8
Perform Units	360.7	—	-0.6	—

Fund currently closed to new investment
For Pension Prices please phone 0908 606101
Series (2) Prices are for policies issued after 1.1.1980.
Series (1) These are bid prices for earlier policies.

Clerical Medical & Gen. Life Ass. Soc.
15, St. James's Sq., SW1Y 4LQ. 01-930 5474

Executive Investment Pension Plan

Cash Fund Init.	98.7	103.9	...	—
Do. Accum	104.9	110.5	...	—
Mixed Fund Init	115.4	121.5	...	—
Do. Accum	122.7	129.2	...	—
Fixed Interest Fd Init	103.5	109.0	...	—
Do. Accum	110.1	115.9	...	—
UK Equity Fund Init.	121.0	127.4	...	—
Do. Accum	128.6	135 4	...	—
Property Fund Init	96.6	101.7	...	—
Do. Accum	102.7	108.2	...	—
Overseas Fund Init	127.4	134.2	...	—
Do. Accum	135.5	142.7	...	—
Index Linked Fd Init	90.1	94.9	...	—
Do. Accum	95.8	100 9	...	—
Stock Ex. Fd. Init	97.7	102.9	...	—
Do. Accum.	98.0	103.2	...	—

Prices Jan 25. Unit dealings on Wednesday.

Clerical Medical Managed Funds Ltd.
15 St James's Square, SW1Y 4LQ 01-930 5474

Cash Fund	128.7	128.7	...	—
Mixed Fund	176.6	181.9	...	—
Fixed Interest Fund	172.3	174.9	...	—
UK Equity Fund	185.9	193.3	...	—
Property Fund	117 0	122.3	...	—
Overseas Fund	200.5	210.5	...	—
Index Linked Fund	108.3	109.9	...	—
Stock Exch Fund	100.3	103.3	...	—

Prices Jan 25. Unit dealings on Wednesday.

Commercial Union Group
St. Helen's, 1, Undershaft, EC3. 01-283 7500

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G T Plan Bond Fund.	127.7	134.5	+0.5	—
GT Pln High Yld Fnd	134.5	141.6	...	—
GT Plan Far East Fnd	131.8	138.8	...	—
GT Plan N. Am Fd.	139 9	147.3	...	—
GT Pln UK&G.E. Fnd	151.9	159.9	...	—
GT Pln Wrldwde Fnd.	155.8	160 0	...	—
GT Pension Bnd Fnd.	140.6	148.1	+0.7	—
GT Pen High Yld Fd.	154.0	162.2	...	—
GT Pen Far East Fd.	163.2	171.8	...	—
GT Pen N. Am. Fd.	204.3	215.1	...	—
GT Pen UK & G.E. Fd.	175.4	184.7	...	—
GT Pen Worldwide Fd.	168.2	177.2	...	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0739

Intl. Managed Bond	170.2	179.2	...	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		265.0	...	—
Portfolio Fd. Init		216.3	...	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	286.9	302.3	...	—
Money Fd	157.2	165 4	...	—
Equity Fd.	245.3	258.5	...	—
Fixed Int Fd.	118.6	125.0	...	—
Property Fd.	175 4	184.8	...	—
Managed Pen. Fd	270.1	284 6	...	—
Equity Pension Fd.	190.7	200.9	...	—
Fixed Int. Pen. Fd.	166.9	175.9	...	—
High Yield Pen. Fd.	164.7	173.6	...	—
Money Pension Fd.	130.6	137.5	...	—
Property Pension Fd	129.3	136.2	...	—
Gresham/Framlington				
American & Gen. Fd.	252.8	266 4	-1.5	—
Income Fd	206.1	217.2	-0.6	—
Int'l. Growth Fd.	281.2	296.3	-0.4	—
Capital Fund	216.1	227.7	+0.6	—
Recovery Fund	164.4	173.2	...	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	£1.536	—	...	—
Landbank Secs.	£0.6674	—	...	—
Landbank Secs. Acc.	189.2	194.1	...	—
G. & S. Super Fd.	£11.590	—	...	—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101

Guardian Assurance

Property Bonds	306.3	319.0	...	—
GRE Linked Assurance Ltd.				
Managed Initial	226.3	238.3	+0.1	—
Do. Accum	252.9	266.2	+0.2	—
Equity Initial	287.0	302.1	+0.8	—
Do. Accum	320.7	337.6	+1.0	—
Fixed Int. Initial	197 7	208.1	+0.4	—
Do. Accum.	220.9	232.5	+0.5	—
Intnl. Initial	229.7	241.8	-1 4	—
Do. Accum	256.7	270.2	-0.5	—
North American Initial	102.9	108.3	-0.1	—
Do. Accum	104.6	110.1	-0.1	—
Pacific Initial	111.6	117 4	-0.5	—
Do. Accum	112.4	118.3	-0.4	—
Index-Linked Gilt Init.	92.9	97.8	...	—
Do Accum	94.5	99.4	...	—
Property Initial	123.8	130.4	...	—
Do Accum	138.1	145.4	...	—
Deposit Initial	123.7	130.2	...	—
Deposit Accum.	138.2	145.5	...	—

GRE Pensions Management Ltd.

Pens. Managed Initial	224.2	236.0	...	—
Pens. Managed Acc.	244.8	257.7	...	—
Pens. Equity Initial	295.2	310 8	+1.2	—
Pens. Equity Acc.	322.4	339.4	+1.4	—
Pens Fxd. Int. Initial	203.1	213.8	+0.4	—
Pens. Fixed Int. Acc.	221.8	233.5	+0.5	—
Pens. Int'l Initial	217.2	228.6	-2.0	—
Pens. Int'l. Acc.	237.2	249 7	-2.1	—

Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Hambro Life Assurance P.L.C.
Allied Hambro Ctr, Swindon, SN1 1EL 0793 28291

Fixed Int. Dep. Acc.	188.1	198.1	...	—
Equity Acc	428.2	450.8	...	—
Property Acc.	286.2	301.3	...	—
Managed Cap.	241.1	253.8	...	—
Managed Acc.	370.0	389.5	...	—
Overseas Acc.	273.6	288.0	...	—
Gilt Edged Acc	214.7	226.0	...	—
American Equity Acc.	243.2	256.0	...	—
American Man Acc.	130.1	137.0	...	—
American Prop Acc	106.6	112.3	...	—
Pen.F.I.Dep.Cap.	204.3	215.1	...	—
Pen F.I.Dep.Acc.	289.6	304.9	...	—
Pen. Prop. Cap.	348.6	367.0	...	—
Pen. Prop. Acc.	545.4	574.2	...	—
Pen. Man. Cap	440.7	463.9	...	—
Pen Man. Acc	689.4	725.7	...	—
Pen.GiltEdg.Cap.	230.8	243 0	...	—
Pen. Gilt Edg. Acc.	295.0	310.6	...	—
Pen. Eq. Cap.	638.3	671.9	...	—
Pen. Eq. Acc	757 0	796.9	...	—
Pen. Am. Eq. Cap.	95.0	100.0	...	—
Pen. Am. Eq. Acc.	95.0	100.0	...	—
Pen. Far East Cap.	95.0	100.0	...	—
Pen. Far East Acc.	95.0	100.0	...	—
Pen. B.S. Cap.	205.4	215.7	...	—
Pen. B.S. Acc.	283.1	297.3	...	—
Pen. D.A.F. Cap.		166.9	...	—
Pen. D.A.F. Acc.		204.9	...	—
Pen Mortgage Cap	95.0	100.0	...	—
Pen. Mortgage Acc.	95.0	100 0	...	—

Hearts of Oak Benefit Society
129, Kingsway, London, WC2B 6NF. 01-404 0393

Property Fund	47 6	51.5	...	—
Managed Fund	130.0	137.0	...	—

Henderson Administration
26 Finsbury Sq, London EC2. 01-638 5757

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Hill Samuel Life Assur. Ltd.
NLA Twr., Addiscombe Rd., Croy. 01-686 4355

Security Fund	159.0	167.4	+2.0	—
British Fund	158.9	167.3	+2.1	—
International Fund	182.8	192.5	+0.6	—
Dollar Fund	174.0	183.2	-1.0	—
Capital Fund	160.3	168.8	+2.4	—
Income Fund	174.4	183.6	...	—
Property Series A	176.7	186.1	...	—
Property Units	287.6	302.0	...	—
Financial Fund	144.2	151.8	+1.4	—
Managed Series A	190.6	200.7	+0.9	—
Managed Series C	152.2	160.3	+0.8	—
Managed Units	329.8	347.2	+1.6	—
High Yield Fund	165.1	173.8	+0.7	—
Money Series A	145.1	152.8	...	—
Money Units	183.9	193.6	...	—
Equity Fund	201.1	211.7	+1.5	—
Fixed Int. Fund	165.7	174.5	+0.3	—
Indexed Sec. Fd.	99 9	105.2	...	—
European Fund	191.9	202.0	+0.8	—

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Jan 24	175 7	185.0	...	—
British Jan 24	138.8	146.2	...	—
Commodity Jan 24	133.6	140.7	...	—
Extra Inc. Jan 24	125.7	132.4	...	—
Far Eastern Jan 24	131.2	138.2	...	—
High Inc Jan 24	131.9	138.9	...	—
Income Jan 24	162.2	170.8	...	—
Global Street Jan 24	194 4	204.7	...	—
Special Sits Jan 24	147 4	155.2	...	—
Gilt Jan 24	105.1	110.7	...	—
Japan Jan 24	184.1	193.8	...	—
U. Small Co's Jan 24	138.6	145.9	...	—
Man Gwt Jan 24	162.9	171.5	...	—
Austrln Jan 24	118.3	124.6	...	—
Oil and Energ Jan 24	123.1	129.6	...	—
Gold Share Jan 24	73.2	77 1	...	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		290.2	...	—
Property Fund (A)		281.8	...	—
Agricultural Fund		1,133.3	...	—
Agric. Fund (A)		1,102 9	...	—
Abbey Nat. Fund		231 9	...	—
Abbey Nat. Fd. (A)		230.3	...	—
Investment Fund		143 9	...	—
Investment Fund (A)		142 1	...	—
Equity Fund		451.0	+3.5	—
Equity Fund (A)		443 0	+3.5	—
Money Fund		220.3	...	—
Money Fund (A)		214.2	...	—
Actuarial Fund		221.7	...	—
Gilt-edged Fund		195.1	+0.8	—
Gilt-Edged Fd. (A)		195 1	+0 8	—

COMMODITIES AND AGRICULTURE

France curbs livestock entry

BY DAVID HOUSEGO IN PARIS

THE French Government has cut by almost half the number of border posts at which cattle on the hoof and live pigs can be brought into France from EEC countries.

Details of the new entry procedures were published yesterday in France's Official Journal.

No restrictions have been placed on the import of live sheep or beef or lamb meat. The new regulations are thus much more limited than statements last week by M Michel Rocard, the Minister of Agriculture, and French officials had implied.

The new measures have been put in the context of reinforced health controls to prevent the spread of foot-and-mouth disease into France. In all, 26 border posts for the import of live cattle and pigs have been closed.

At the same time the French Ministry of Agriculture has published a list of 62 border posts where pigment can be imported.

The effect of the new regulations on Britain is likely to be small but other EEC members could be affected more severely.

● In a statement to the House of Commons Mr John MacGregor, the Minister of State for Agriculture, said he had told the French Government of his concern that normal trade was being interrupted, writes **Kevin Brown.**

Neither side would benefit from a trade war sparked off by the restrictions, he said. "It is important that there should be genuine reasons for this kind of action."

The measures were angrily condemned by MPs on both sides of the House.

S. Africa maize crop fears

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICA faces a maize crop failure for the second consecutive season following a month of drought in the main growing areas.

According to one international trader, the best crop that can now be expected is 8m to 9m tonnes, which is slightly higher than domestic needs. But farmers' organisations estimate that about 200,000 tonnes are being lost a day during the crucial flowering period.

South Africa was the world's fifth largest maize exporter in 1982, when shipments reached about 5.5m tonnes. Since last year's crop failure, when less than 4m tonnes were harvested, the country has become a grain importer.

The Maize Board has so far imported about 2m tonnes but has held off ordering more in the hope that early deliveries from the 1984 crop would be enough to provide for domestic consumption.

Wheat, sorghum and oilseed crops are also likely to be much lower than expected a month ago.

● Zimbabwe faces almost total crop failure unless prolonged heavy rains begin immediately, according to the government Agriculture Extension Services.

The staple maize crop was particularly threatened by drought, it said in a crop report for the two weeks ended January 28. Tobacco, sorghum and cotton were also said to be suffering.

Tea prices slip further at London auction

TEA PRICES eased further at London's weekly auction yesterday with the quality grades slipping by 25p to 315p a kilo, medium by 10p to 300p and low medium by 2p to 230p.

The quality price has now dipped 50p below the peak reached two weeks ago following a sustained upsurge accelerated by India's decision to suspend exports of the most popular blending grade.

The Indian Tea Association estimated yesterday that the ban will cost India 1.15bn rupees (£76m) in lost exports if it stays until the end of March. It was imposed on December 24 to reduce prices in the home market.

● **LONDON** Metal Exchange warehouse stocks of copper rose by 1,700 tonnes last week to 425,400 tonnes. There were also rises for aluminium, by 1,650 tonnes to 223,600 tonnes; for nickel, by 1,128 tonnes to 29,820 tonnes; and for silver, by 240,000 oz to 46.374m oz. Tin stocks were down by 770 tonnes at 39,940 tonnes; lead down by 3,150 tonnes at 170,975 tonnes; and zinc down by 2,750 tonnes at 77,800 tonnes.

● **BRITISH** growers have voiced concern at a decision by the Government to lift the ban on imports of Dutch chrysanthemums, imposed to keep out white rust disease. The Ministry of Agriculture has agreed to lift the ban from midnight on February 8 following the implementation of new regulations agreed with the EEC and the Dutch Government.

● **INDIA'S** foodgrain output in the agricultural year ending June will top the 133m tonne record set in 1981-82, helped by a good monsoon, the Reserve Bank of India forecast. Last year drought held output to 128.4m tonnes.

Ivory Coast faces reverse in timber trade

Peter Blackburn explains how Abidjan is tackling the threat to its forest resources

THE Ivory Coast, Africa's main exporter of tropical timber and the third largest exporter in the world, could become a net importer by the year 2000 unless a much greater effort is made to protect forest resources, according to Mr Konan Soundeleye, director general of Sodefor, the state forestry agency.

The area of dense forest has shrunk from 15m hectares to 3m and is continuing to shrink by some 400,000 hectares a year as a result of uncontrolled felling and land clearance, he said.

Migrant farmers do the most damage, destroying three times as much forest as logging companies. But anarchic felling has led to the disappearance of traditional redwood species so that only secondary whitewood species are now exploited.

Destruction of the forests has also had serious ecological repercussions, accelerating soil erosion and affecting rainfall patterns. An exceptionally long dry harmattan (seasonal wind) followed by a short rainy season has dried out four of the country's five hydro-electric dams and caused severe electricity shortages. Cocoa, coffee and food crops have suffered.

The local timber industry is also in severe difficulties because of recession in export and domestic markets and because of increasing problems in obtaining local supplies. Mr Isidoro Bianchi, president of the Timber Exporters' and Traders' Union, said nearly a third of the country's 100 timber companies might soon be forced to close.

Prices for sawn wood and other timber products are lower now than in 1980. In addition sawmills have had great difficulty competing for the important Irish and UK markets since Irish and British customers cut freight rates by 20 per cent through special charters.

Sawmills are also having increasing difficulty obtaining supplies, having to go further afield to find suitable logs.

The government has already acted to help the timber industry. A decree passed in 1982 restricts the volume of log exports in relation to that of timber products.

Although timber product exports are expected to have risen by 14 per cent to 420,000 cu metres for 1983, they will still represent only 15 per cent of total tropical timber exports. This compares with 76 per cent by Asian exporters such as *Malaysia and Indonesia.*

Log exports for 1983 are expected to be static at 2.2m cu metres despite government efforts to restrict them to 1.5m cu metres. Main export markets are Italy, France, Portugal and Spain.

Attempts to control logging have been frustrated by powerful economic and political interests.

Tropical timber exports, though declining, are still the Ivory Coast's third major export earner, worth $230m (£160m) in 1982. Taxes on tree-felling and exports are also an important source of government revenue.

Exports of tropical timber remain the most important in volume. They are crucial for the development of the local shipping industry and achievement of the 40 per cent quota in the new Unctad shipping code of conduct.

Annual turnover in the timber industry totals some $125m. Investment is 50 per cent French, 25 per cent Ivorian and the rest held mainly by Italians, Germans, Dutch and Lebanese.

The Government, aware of both the economic and ecological importance of preserving the country's forests, created Sodefor in 1966. Its objective *is to maintain a forest area of* some 3m hectares and enable the controlled exploitation of 4m cubic metres a year.

Sodefor was also set a target of replanting 10,000 hectares a year of quick-growing trees exploitable after 25 years.

"Only 50,000 hectares have been replanted in the past 17 years, mainly because of a lack of funds. But replanting is now entirely funded by foreign donors and the rate has nearly doubled to 5,000 hectares a year.

The World Bank and Commonwealth Development Corporation are funding a five-year project to replant 20,000 hectares of medium duration tropical hardwoods. A *second* similar sized project is being appraised.

France's Caisse Centrale de Co-operation Economique this year started funding the replanting of 1,000 hectares a year, Mr Soundeleye said: "Although the replanted area is small, productivity is much higher than in natural forest with yields up to 50 times greater at 250 cu m per hectare."

He said the Ivory Coast was the only African country to have an important re-afforestation programme. It also had an unrivalled transport infrastructure providing easy access to the forests and evacuation to the ports.

"*For these reasons* the Ivorian timber industry could still be competitive with other African exporters, such as the Congo and Gabon, in the year 2000," he said.

Guernsey suffers fall in share of UK tomato market

FINANCIAL TIMES REPORTER

GUERNSEY'S overall share of the UK tomato market fell to 8.5 per cent last season according to the annual report of the Guernsey Tomato Marketing Board. The volume shipped fell from 33,821 tonnes in 1982 to 23,900 in 1983.

During the 1970s the volume of fruit shipped was more than double last year's figure and Guernsey supplied about a sixth of Britain's tomatoes.

The board's report says: "In realistic terms, the Dutch industry and exporters — for so long assiduously building up a major presence on the UK market with the advantages of their fuel prices and beneficial currency exchange rates — have established a dominance which has to be recognised and coped with on the basis of product superiority.

"In the UK each and every panel wholesaler no longer guaranteed Guernsey supply must obtain tomatoes from elsewhere in order to service customer needs.

"There is only one real alternative source from May to September — the rising rate of Dutch import is thus likely to continue."

While 1983 was a better year than 1982 for some tomato growers, the results are not good enough to prevent a further contraction of the industry, the report says.

The area of glasshouses under tomato cultivation will be around 200 acres this year, against 235 acres last year

The board has decided that in view of present and projected production levels the policy of developing trade with France can "no longer be realistically supported."

The number of UK outlets is being reduced with more concentration on the supermarket trade.

Crop report confusion leads to staff switch

By John Edwards

THE U.S. Department of Agriculture yesterday announced that it was replacing four key personnel in its crop reporting division following criticism of "inconsistencies" *in its grain estimate.*

Mr William Kibler, administrator of the USDA statistical reporting service, said there would be a review of analysis and data used in preparing crop reports. However, he said the USDA did not plan to issue revised or special versions of the recent reports which brought a flurry of criticism from traders.

Mr Thomas Cunningham, chairman of the Chicago Board of Trade, said in a letter to Mr John Block, U.S. Secretary of Agriculture, that the agriculture industry relied heavily on USDA reports and it was vital that reliable production figures and stock estimates should be produced.

The protests were triggered by the stocks estimates for maize and soyabean, released on January 23. These were much lower than had been anticipated in the light of earlier supply-demand production forecasts. Futures prices in Chicago have been fluctuating more wildly than usual as a result.

By transferring several employees, the USDA has tacitly admitted that something has gone wrong with its crop estimates, on which a great deal of time and money are spent.

However, officials at the USDA say 1983 was an exceptional difficult year for the crop analysis.

The USDA now believes the most recent, lower stocks estimates to be the most accurate.

PRICE CHANGES

In tonnes unless stated otherwise	Jan. 30 1984	+ or —	Month ago
Metals			
Aluminium	£1100		£1100
Free Mkt	$1550/560		$1580/610
Copper			
Cash h Grade	£987.75	—3.75	£980.75
3 mths	£1011.75	—4	£1005.75
Cash Cathode	£979.5	—4	£962.5
3 mths	£998.25	—4.5	£985.75
Gold troy oz.	$369.875	+0.5	$382
Lead Cash	£278.5	—2	£280.375
3 mths	£285.75	—2.5	£289.875
Nickel	£4945		£4813
Free Mkt	207/227c		205/225c
Palladium oz.	$158.25	+1.75	$169.00
Platinum oz.	£272.50	+0.25	£369.65
Quicksilver†	$302/308		$305/312
Silver troy oz.	589.05p	+10.55	614.25p
3 mths	602.55p	+11.15	627.90p
Tin cash	£8625	—10	£8452.5
3 months	£8782.5	+7	£8613.5
Tungsten	$74.41		$74.70
Wolfram22.04lb	$74/78		$70/74
Zinc	£713	+1	£617.75
3mths.	£704.75	+1	£676.75
Producers	$1,010		$960

	Jan. 30 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1120v		$1040
Groundnut	‡		‡
Linseed Crude	£444w		‡
Palm Malayan	$810u	+5	$755
Seeds			
Copra Phil	$720v	+5	$685
Soyabean(U.S.)	$299.5w	+5	$331.2
Grains			
Barley Fut.May	£119.95	—0.20	£122.90
Maize	£145.50w		£148.00
Wheat Fut.May	£121.40	+0.25	£122.20
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£2050	—13	£2076.5
Futures May	£1988.5	—11	£2016.5
Coffee Ft.Mart	£2082.5	—4	£1897.5
Cotton A Index	87.60c	+0.3	89.20c
Gas Oil Feb	$250.75	—7.25	$251.5
Rubber (kilo)	90p	+0.5	84.5p
Sugar (raw)	£124yz	—2	£124
Woolt'ps 64s	466p kilo	+12	438pkilo

‡ Unquoted. u April. w Feb. z March. x May. v Feb-March. y Jan-Feb. † Per 75-lb flask. * Ghana cocoa. n Nominal. c Cent per pound.

LONDON OIL

The market opened mixed and swiftly came under pressure. A weak New York opening added to the pressure and the market slipped to further lows, prompted by the March position in New York being at limit-down. Stops were hit on the close which created a large drop in prices, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.70	—
Iranian Light	27.70-27.85	—0.03
Arab Heavy	26.35-26.45	—
North Sea (Forties)	29.60-29.90	—0.02
North Sea (Brent)	29.75-30.05	—0.52
African(BonnyLi'ht)	29.50-29.80	+0.05
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	268-273	—2.5
Gas Oil	260-266	—
Heavy fuel oil	174-180	+1

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	28.50	—	—
Mar	29.30	—0.02	29.40
Apr	29.15	—0.15	29.34-29.15
May	29.13	—0.04	29.25
June	28.95	—0.07	—
July	28.95	—0.07	—

Turnover: 60 (32) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	255.00	—6.50	262.00-255.0
Feb	250.75	—7.25	259.50-250.2
Mar	243.25	—7.00	251.50-242.2
April	237.25	—6.25	244.50-237.0
May	234.25	—4.00	239.00-234.0
June	231.75	—6.25	237.50-231.7
July	234.00	—5.00	238.50-236.2
Aug	237.50	—4.50	—
Sept	240.25	—3.00	—

Turnover: 2,359 (2,371) lots of 100 tonnes.

GOLD MARKETS

Gold rose $½ an ounce from Friday's close in the London bullion market yesterday to finish at $369¾-370¼. The metal opened at $369-369¼ and traded between a high of $370-370¼ and a low of $368¼-369¼. Trading was extremely quiet and featureless with little incentive to push gold outside its recent narrow trading range.

In Frankfurt the 12½ kilo bar was fixed at DM 33,390 per kilo ($368.97 per ounce) against DM 33,200 ($366.97) on Friday and closed at $369¾-370¼ from $366¾-367¼.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $369.0 from $366.45.

In Paris the 12½ kilo bar was fixed at FFr 102,400 per kilo ($369.93 per ounce) in the afternoon compared with FFr 102,400 ($369.86) in the morning and FFr 101,600 ($367.11) on Friday afternoon.

In Zurich gold closed at $370-$370½ from $369¾-370¼.

LONDON FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ per troy ounce		
Feb	369.90-70.50	+0.30	370.20-69.50
April	375.50-76.50	—0.35	376.20-75.00
June	381.50-82.00	+0.25	381.50
Aug	387.70-88.50	—0.55	—
Oct	394.00-95.00	+1.00	—
Dec	400.50-02.00	—0.75	—

Turnover: 329 (602) lots of 100 troy ounces.

	Jan. 30		Jan. 27	
Gold Bullion (fine ounce)				
Close	$369½-370¼	(£262½-263)	$369-369¼	(£262¼-263½)
Opening	$369-369¼	(£262½-263)	$366½-367	(£260¾-261¼)
Morning fixing	$369.25	(£262.531)	$366.65	(£260.831)
Afternoon fixing	$369.85	(£262.771)	$370	(£263.308)

Gold and Platinum Coins Jan. 30

Krugrnd	$381-381½	(£270½-271)	King Sov	$90-91½	(£64-65)
½ Krug.	$196¼-197	(£139½-140)	Victoria Sov	$90-91½	(£64-65)
¼ Krug.	$100¼-101	(£71¼-71¾)	French 20s	$74-75¾	(£52½-53¾)
1/10 Krug.	$41-41¾	(£29-29¾)	50 Pesos Mex	$456¼-458¼	(£324¼-325½)
Mapleleaf	$380¾-381¼	(£270½-270¾)	100 Cor.Aust	$360-364	(£255¾-258½)
New Sov	$87-87¾	(£61¾-62¼)	$20 Eagles	$530-540	(£376½-383½)
½ NewSov.	$52-53¼	(£37-37½)	Noble (Plat.)	$394¼-398½	(£280¼-283½)

EUROPEAN MARKETS

ROTTERDAM, January 30.

Wheat—(U.S. $ per tonne). U.S. Two Red Winter March 151.50, April 152.50, May 153.75, mid June/mid July 145.75. U.S. Two Northern Spring 14 per cent protein Feb 190.50, March 191.50, April/May 177.50, May 177.50, June 177, July 176, Aug 171.50, Sept 170. U.S. Three Amber Durum Feb 200, March 208, April/May 192, June 192, July 191, Aug 188, Sept 183. Canadian Western Spring April/May 206, June 205.

Maize — (U.S. $ per tonne): U.S. Three Yellow Feb 154, March 152.50, April/June 153, July/Sept 151.50, Oct/Dec 138 sellers. Argentine Plate Feb 167, March 163, April 157, April/June 155 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Feb 293.50, March 293.40, April 294.90, May 297, June 299.30, July 301.25, Aug 301.25, Sept 294, Oct 279.75, Nov 279.40, Dec 283.75, Jan 287.90 sellers.

Soyameal — (U.S. $ per tonne): 44 per cent afloat 221, Jan 224, Feb 226, March 28, April/Sept 232, Nov/March 232 sellers. Pellets Brazil Feb 244, March 241, April/Sept 236.50 Oct/Dec 243 sellers. Pellets Argentine afloat 235, Jan 235, Feb 237, March 237.50, May/Sept 229.50 sellers.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were generally steady on the London Metal Exchange in quiet trading. Copper reached a high for the day of £1,020 in advance of the release of the stocks figure, which was higher than anticipated, and edged downwards to close at £1,009. Zinc, up to £709 in early trading, eased to close the late Kerb at £704 owing to the smaller-than-expected stocks decline. Aluminium closed a little lower at £1,104, while Tin closed at £8,780. Lead at £286 and Nickel at £3,405.

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £989, 88.50, 88, 88.50, three months £1,015, 14, 13, 13.50, 14, 14.50, 14, 13, 12.50, 13. Cathodes: Cash £980. Kerb: Higher Grade: Three months £1,012, 13. Afternoon: Higher Grade: Cash £987.50, three months £1,017, 16, 14, 13, 12, 11, 11.50. Kerb: Higher Grade: Three months £1,011, 10.50, 10, 9, 8, 9, 8.50. Turnover: 20,775 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	988-.5	+3	987.5-8	—3.75
3 months	1013.5-.5	+2.25	1011.5-2	—4
Settlem't	988.5	+2	—	—
Cathodes				
Cash	980-1	+2	979-80	—4
3 months	999-1000	+.25	998-.5	—4.5
Settlem't	981	+2	—	—
U.S. pro'd	—	—	*64.5-68	

TIN

Tin—Morning: Standard: Cash £8,610, 15, three months £8,770, 75, 76, 75. High Grade: Cash £8,700, three months £8,805. Kerb: Standard: Three months £8,775, 70. Afternoon: Standard: Three months £8,770, 80, 76, 80. Turnover: 8,440 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8700-10	—40	8720-30	+5
3 months	8805-10	—7.5	8810-30	+10
Settlem't	8710	—40	—	
Standard				
Cash	8613-5	—21.5	8620-30	—10
3 months	8775-6	—5	8780-5	+7
Settlem't	8615	—21	—	
Straits E.	$39.15	—		
New York				

LEAD

Lead—Morning: Three months £290, 89, 88.50, 87, 87.50. Kerb: Three months £287.50. Afternoon: Three months £288, 87, 86, 85.50, 86. Kerb: Three months £286. Turnover, 7,825 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	280-1		278-9	—2
3 months	287.5-8	—1	285.5-6	—2.5
Settlem't	281			
U.S. Spot	—		*24-28	

ZINC

Zinc—Morning: Three months £709.50, 7, 6, 7, 7.50, 7.75, 8. Kerb: Three months £709, 8.50. Afternoon: Three months £709, 8.50, 8, 7, 3, 4, 5, 4, 5, 5.50, 5. Kerb: Three months £703, 2, 2.50, 3, 4. Turnover: 22,125 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	718-20	+10	712.5-3.5	+1
3 months	707.5-8	+5.5	704.5-5	+1
Settlem't	720	+10	—	
Primw'ts	—		*49-51	

ALUMINIUM

Aluminium—Morning: Cash £1,077.50, 78.50, three months £1,111, 10.50, 9, 8, 8.50, 8, 7.50, 7. Kerb: Three months £1,107.50, 8, 9. Afternoon: Three months £1,109.50, 9, 7, 6.50, 6, 5, 4, 3, 1, 3, 4, 3.50. Kerb: Three months £1,103.50, 3, 4, 4.50, 4. Turnover: 21,100 tonnes.

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1078-.5	—1	1076-8	—4.5
3 months	1107-.5	+3	1103-.5	—3.5

NICKEL

Nickel — Morning: Three months £3,400. Kerb: Three months £3,395, 3,400. Afternoon: Three months £3,395, 3,400, 05. Turnover: 2,712 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3310-20	+9.5	3330-1	+3
3 months	3396-400	+14	3395-402	+2

SILVER

Silver was fixed 10.55p an ounce higher for spot delivery in the London bullion market yesterday at 589.05p. U.S. cent equivalents of the fixing levels were: spot 828.5c, up 16c; three-month 848.6c, up 17.1c; six-month 870c, up 16.8c; and 12-month 915.8c, up 16.9c. The metal opened at 591½-594½p (832-836c) and closed at 587½-590½p (827-831c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	589.05p	+10.5	587.5p	—1.25
3 months	602.55p	+11.1	602.25p	—1
6 months	617.35p	+11.1	—	
12months	647.90p	+11.1	—	

LME—Silver (2,000 oz contract): Three months 601.25p (602.25p). Turnover: 2 (2).

Turnover: 99 (54) lots of 10,000 ozs. Morning: Large three months 604.5, 04.0, 04.1; small three months 605.0. Kerb: large 604.4. Afternoon: large three months 603.0, 01.50, 01.0. Kerb: large three months 601.0.

COCOA

In thin trading futures steadied during the morning and touched the highs of the day soon after New York market opened. However, the rally was brief and levels eased sharply on the closing call reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1989-90	—13.0	2030-86
May	1988-89	—11.0	2025-85
July	1964-65	—7.0	1991-61
Sept	1945-48	—6.0	1970-45
Dec	1904-05	—5.0	1927-05
March	1887-90	—3.5	1905-90
May	1870-85	—1.0	—

Sales 4,877 (7,711) lots of 10 tonnes. ICCO Indicator prices (U.S. cents per pound). Daily prices for Jan 27: 123.06 (122.27); five-day average for Jan 30: 122.65 (122.18).

COFFEE

In thin conditions the market opened unchanged to slightly easier, reports Drexel Burnham Lambert. Small losses in nearby contracts were gradually erased as trade and dealer support emerged. However, commission house selling and dealer profit-taking dampened the rise.

COFFEE	Yest'day's Close	+ or —	Business Done
January	2065-71	—17.0	2090-75
March	2081-84	—4.0	2095-75
May	1967-69	—9.5	1988-66
July	1910-12	—7.0	1925-10
Sept	1871-79	—1.0	1885-68
Nov	1835-38	+5.0	1850-38
January	1810-14	+2.0	1820

Sales: 1,038 (2,421) lots of 5 tonnes. ICO Indicator prices (U.S. cents per pound) for Jan 27: Comp. daily 1979 140.36 (140.29); 15-day average 138.63 (138.40).

GRAINS

Old crops eased a little initially but found strong merchant buying support to improve during the rest of the day. Barley found shipper selling. New crops were a little easier, reports Muirpace.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
Mar	119.60	+0.15	118.70	—0.10
May	121.40	+0.25	119.95	—0.20
July	122.80	+0.20	—	
Sept	108.10	—0.05	106.60	—0.10
Nov	111.25	—0.15	109.70	—

Business done—Wheat: Mar 119.70-9.30, May 121.55-1.05, July 122.30-1.80, Sept untraded, Nov 111.25 only. Sales: 142 lots of 100 tonnes. Barley: Mar 118.90-8.75, May 120.15-20.05, Sept 106.70-6.60, Nov untraded. Sales: 70 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 116.80, E. Mids 18.61. The UK monetary coefficient for the week beginning Monday February 6 (based on HGCA calculations using four days' exchange rates) is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Feb 148.50, March 147.25, April/May 138 trans shipment East Coast sellers. English feed fob Feb 123.50, March 124 paid and seller, April/June 125.75 East Coast sellers. Maize: French Feb 145.50, 1st half March 146 sellers East Coast. Barley: English feed fob Feb 122.75, March 123.25, April/June 125 East Coast sellers. Rest unquoted.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan 419, 431, 425; March 437, 441, 447-438; May 457, 461, 460-457; Aug 483, 485, 488-482; Oct 483, 487, 489-485; Dec 484, 488, 490-485; Jan 485, 490, 495-486; March 492, 497, 495-492; May 495, 500, 498-495. Sales: 319.

POTATOES

Improved weather encouraged further selling, with all positions trading lower and finishing around the lows, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	149.50	150.00	149.00-147.0
April	185.50	194.00	190.50-185.5
May	197.00	203.20	200.00-197.0
Nov	77.00	77.00	—
Feb	87.50	87.50	—

Sales: 1,551 (1,893) lots of 40 tonnes.

RUBBER

The London physical market opened about unchanged, attracted some buying interest throughout the day, and closed quiet but slightly steadier, reports Lewis and Peat. The Kuala Lumpur February fob price for RSS No. 1 was 266.0 (267.0) a kg and SMR 20 229.0 (228.0).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
	£ per tonne		
Mch	902-910	895-910	900
Apr.	910-907	900-910	—
Apl-Jne.	916-918	906-908	913
Jly-Sept	927-928	918-919	929-922
Oct-Dec	938-940	928-933	—
JanMch	949-950	938-942	947-946
Apl-Jne.	961-965	951-952	—
Jly-Sept	974-975	964-967	969
Oct-Dec	985-998	975-981	—

Sales: 81 (90) lots of 15 tonnes; 4 (nil) lots of 5 tonnes.

Physical closing prices (buyers) spot 90.00p (89.50p). March 90.75p (90.00p); April 91.25p (90.50p).

SOYABEAN MEAL

The market opened 50p down and remained under pressure on mixed selling in thin trade, reports T. G. Roddick.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Feb	155.00-61.00	—1.00	—
April	162.60-65.00	—1.50	165.30-63.00
June	162.70-65.00	—1.25	164.00-62.80
August	163.00-65.20	—1.05	165.50-62.50
October	162.00-62.90	—0.90	162.50
Dec	163.50-64.00	—1.25	163.70
Feb	165.00-67.50	—1.25	—

Sales: 84 (43) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £124.00 ($174.50), down £2.00, a tonne for Jan-Feb-March shipment. White sugar $203.00, down $3.00.

No. 4 Con-tract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	154.50-54.75	158.65	158.50-54.00
May	159.25	145.25-45.50	144.50-38.00
No. 6 Contract	**$ per tonne**		
Mar	189.20-89.80	194.20-94.40	195.00-88.80
May	196.00-96.20	201.20-01.40	202.00-95.80
Aug	204.45-04.80	209.40-09.80	209.00-04.00
Oct	212.20-12.80	217.20-17.40	218.00-12.00
Dec	218.20-19.60	222.20-24.40	225.00-19.00
Mar	234.00-36.00	239.00-40.00	—
May	242.00-44.00	247.00-48.00	244.00

Sales: No. 4 2,039 (1,836); No. 6 1,410 (1,137) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £230.75 (£233.00) a tonne for export.

International Sugar Agreement — (U.S. cents per pound fob and stowed Caribbean ports). Prices for Jan 27: Daily price 6.93 (6.97); 15-day average 6.98 (6.97).

TEA AUCTIONS

LONDON TEA AUCTION—28,328 packages were on offer, including 1,800 *packages in the offshore section.* Assams sold readily but were generally 5-15p lower, apart from selected lines and colouory dusts which held value. Africans again came in for limited competition and the majority eased by 10-25p, weakening further at the close. Ceylons met fair demand but at generally lower rates. The small quantity of offshore teas followed a similar pattern and lost up to 20p. Quotations: quality 315p a kg (340p), medium 300p a kg (310p), low medium 230p a kg (232p).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 28 tonnes. Buying was at a low ebb with only minimal evidence of fresh demand. Users adopted a very cautious tone and activity was confined to a scattered interest in African and American type qualities.

JUTE

JUTE—C and f Dundee BWC $511, BWD $501, BTB $540, BTC $511, BTD $501; c and f Antwerp BWC and BTC $514, BTD and BWD $504; c and f Dundee Feb 84 India nominal 40 in 10 oz £18.64, 40 in 7.5 oz £14.23; B twills £53.97.

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 96.17p per kg lw (—1.02). GB—Sheep 178.27p per kg est dcw (+16.55). GB—Pigs 78.00p per kg lw (+0.20).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 78.0 to 85.0. Lamb—English small 78.0 to 82.0, medium 76.0 to 80.0, heavy 74.0 to 76.0. Imported: New Zealand PL 59.0 to 59.5, PX 57.0 to 57.5. Pork—English under 100lb 49.0 to 55.0, 100-120lb 48.5 to 53.5, 120-160lb 40.0 to 51.0.

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.50-£6.00, codlings £4.00-£4.80; medium plaice £4.20-£4.80, best small £4.00-£5.60; skinned dogfish (medium) £11.00.

Imported produce: Minneolas—Jaffa: 12-kg 4.40-5.40. Orlandos—Jaffa: 12-kg 3.50-4.20. Satsumas—Spania: 2.40-2.80. Clementines—Spania: 82/120 4.00-4.20, 132/168 3.80-4.00, 182/210 3.50-3.60. Oranges—Spania: 3.80-4.50; Moroccan: 3.60-4.20; Jaffa: Navels 18-kg carton 40 4.20, 48 4.20, 56 3.90, 72/88 3.70, 100 4.10, 113 — 3.?; 21-kg Bruce 56 4.75, 60 5.15, 75 5.15, 88 5.00, 105/123 4.90, 144 4.60, Shamoutis 20-kg 60 5.15, 75 5.35, 88 5.20, 105 5.10, 123 5.00, 144 4.60, 168 4.75; Cyprus: Ovals approx 15-kg 3.50-4.00; Cuban: tropical 72 5.80-6.00; Italian: Blood 4.80-5.00. Lemons—Italian: carton 4.50-5.00; Cyprus: 10-kg boxes 2.50-3.60; Greek: 15-kg 5.80-6.00; Spania: 5-kg 1.20-1.80; Jaffa: 4.00-5.20. Grapefruit—Jaffa: 20-kg 32 5.00, 36 5.30, 40 5.60, 48 5.30, 56 4.90, 64 4.50, 75 4.20, 88 4.00; Sunrise: 23 5.60, 32/48 5.85, 56 5.70; U.S.: Ruby 7.00-7.00; Cyprus: 32 4.00-4.20, 40 3.80-4.00, 48 3.80-4.00, 56 3.60, 64 3.20. Pomelos—Jaffa: 5.20-6.60. Kumquats—Moroccan: per pound 1.20; Israeli: 1.10-1.20. Apples—French: Golden Delicious carton 5.60-7.00, Granny Smith carton 8.50-9.00, Starkcrimson, carton 7.00-7.50; Italian: Granny Smith 0.15, Rome Beauty per pound 0.15, Golden Lasse per pound 0.13-0.14; Hungarian: approx 19-kg Starking 8.20-8.40; U.S.: Red Delicious carton 13.00-14.00; British Colombian: Red Delicious 11.00-12.50. Pears—per pound Italian: Passacrassana 0.14-0.18; Dutch: Comice 0.23-0.25. Peaches—Cape: 5.50-6.50; Chilean: trays 60/70 11.00-12.00. Plums—Cape: tray, Gaviota 5.00-6.50, Eldorado 5.00-6.00, Harry Pickstone 6.00-6.00. Strawberries—Israeli: punnet 0.60-0.70. Grapes—Cape: approx 5-kg Alphonse 12.00, Sultana 12.00, Queen of the Vineyard 8.50-9.00; Spanish: per pound Almeria 0.20-0.25, Napoleon 0.30-0.35; Zimbabwe: Thompson 12.00. Melons—Spanish: 10-kg green 5.00-6.00, 15-kg green 10.00-14.00; S. African: Ogen 5.00-7.00, Rock 4.00-5.00; Peruvian: 15-kg 10.00; Cape: white 10-kg 5.50-6.50. Sharon fruit—Israeli: 12/15s 2.00-2.40. Bananas—Colombian: 40-lb boxes 9.50-10.00; Martinique: 33-lb 7.00-7.20. Avocados—Israeli: 4.00-5.50; Canary: 4.00-6.00.

COVENT GARDEN — Prices for the bulk of produce, in sterling per package unless otherwise stated. English produce: Apples—Per pound, Cox's 0.16-0.30, Ids Red 0.10-0.14, Golden Delicious 10.00-12.00, Bramley 0.17-0.22, Spartan 0.14-0.18, Laxton 0.12-0.16. Pears—Per pound, Comice 0.16-0.22, Conference 0.10-0.18. Potatoes—Whites 4.20-4.60, Edwards 4.80-5.20, Pakers 7.50-8.00. Mushrooms—Per pound, open 0.55-0.65.

INDICES

FINANCIAL TIMES

Jan. 27	Jan. 26	M'th ago	Y'ar ago
295.71	295.52	298.81	256.73

(Base: July 1 1952=100)

REUTERS

Jan. 30	Jan. 27	M'th ago	Y'ar ago
1993.0	1995.7	—	1661.2

(Base: September 18 1931=100)

MOODY'S

Jan. 27	Jan. 26	M'th ago	Year ago
1049.8	1044.5	1058.4	1058.7

(Base: December 31 1931=100)

DOW JONES

Dow Jones	Jan. 27	Jan. 26	Month ago	Year ago
Spot	136.12	135.23	140.1	144.78
Futs'	139.1	137.8	143.34	149.81

(Base: September 18 1931=100)

AMERICAN MARKETS

NEW YORK, January 30.

GOLD AND SILVER were slightly higher on the reaction to President Reagan's announcement that he would seek re-election, reports Heinold Commodities. Copper was under pressure as trade selling emerged and prompted profit-taking. Sugar found good trade support at lower levels which touched off short-covering. After early firmness cocoa came under pressure on evidence of Brazilian sales. Coffee sold off on dealer selling in a delayed reaction to the dock-workers' strike agreement. Cotton came under pressure on renewed selling by commission houses as trade withdrew as a buyer. The grain and soyabean complex recovered from early losses to close basically unchanged in maize and soyabeans on expectations of an improvement in export activity, while wheat was firm on aggressive short-covering. Heating oil fell sharply to limit-down levels on moderating temperatures and the exchange decision to limit trading in the spot month to liquidation only.

NEW YORK

ALUMINIUM 40,000 lb: cents/lb

	Close	High	Low	Prev
March	73.80	74.45	73.75	74.25
May	74.70	75.40	74.70	75.20
July	75.80	76.20	76.00	76.25
Sept	76.90	77.00	77.00	77.35
Dec	78.65	78.80	78.80	78.95
Jan	79.10	—	—	79.50
March	80.20	—	—	80.60
May	81.30	—	—	81.70
July	82.40	—	—	82.80

COCOA 10 tonnes: $/tonnes

	Latest	High	Low	Prev
March	2630	2725	2610	2667
May	2590	2683	2580	2633
July	2570	2650	2560	2605
Sept	2543	2610	2543	2585
Dec	2540	2557	2540	2547
March	2550	—	—	2522

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	142.61	43.80	42.28	43.58
May	137.18	38.00	36.90	37.70
July	134.46	35.20	34.10	34.73
Sept	132.68	33.05	32.35	33.00
Dec	130.73	30.75	30.10	30.78
March	128.13	28.50	28.50	29.25
May	127.01	27.00	26.75	28.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Feb	62.45	—	—	62.85
March	63.05	64.05	62.85	63.45
April	63.65	—	—	—
May	64.30	65.35	64.20	64.70
July	65.60	66.70	65.50	66.06
Sept	66.95	68.00	67.08	67.45
Dec	69.00	69.95	69.00	69.50
Jan	69.70	—	—	70.20
March	71.05	72.10	71.10	71.55
May	72.35	73.25	73.10	72.85

COTTON 50,000 lb: cents/lb

	Close	High	Low	Prev
March	76.30	76.80	75.96	76.62
May	76.34	77.00	76.10	76.79
July	76.02	76.50	76.01	76.33
Oct	72.75	72.85	72.56	72.86
Dec	71.41	71.64	71.39	71.39
March	72.50	—	—	72.50
May	73.25	—	—	73.40
July	74.00	—	—	73.70

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
March	29.88	30.12	29.85	30.14
April	29.49	29.80	29.44	29.85
May	29.28	29.63	29.20	29.68
June	29.20	29.50	29.15	29.46
July	29.76	29.40	29.74	29.36
August	29.45	29.35	29.35	29.30
Sept	19.30	29.30	29.25	29.25
Oct	29.25	29.25	29.25	29.25
Nov	29.25	29.25	29.25	29.25
Dec	29.25	29.25	29.25	29.25

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	370.2	370.5	368.6	369.5
March	372.9	372.0	372.0	372.5
April	375.8	376.4	374.3	375.4
June	381.8	382.2	308.4	381.4
Aug	388.0	387.5	387.0	387.8
Oct	394.5	395.0	394.0	394.1
Dec	401.2	401.5	400.3	400.8
Feb	408.1	407.4	407.0	407.7
April	415.1	—	—	414.7
June	422.5	—	—	422.1
Aug	430.1	430.0	430.0	429.7
Oct	438.0	—	—	437.6
Dec	446.0	—	—	—

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Feb	100.70	104.50	99.50	104.97
March	87.42	88.50	87.42	89.42
April	76.46	77.85	76.46	78.46
May	74.30	75.80	74.12	76.12
June	74.36	75.10	73.70	76.70
July	74.20	75.30	75.00	76.05
August	76.00	—	—	76.25
Sept	76.50	—	—	76.70
Oct	77.50	—	—	77.90

ORANGE JUICE 15,000 lbs, cents/lbs

	Close	High	Low	Prev
March	156.65	57.25	53.70	55.75
May	156.75	56.80	55.75	57.00
July	157.00	57.10	55.80	57.60
Sept	157.00	57.90	56.60	57.90
Nov	155.80	55.50	54.75	56.80
Jan	152.30	53.00	51.75	53.00
March	151.90	51.25	51.10	52.75
May	51.90	—	—	53.00

PLATINUM 50 troy oz; $/troy oz

	Close	High	Low	Prev
Feb	382.5	384.0	384.0	—
April	388.6	391.5	388.0	390.3
July	395.2	397.5	393.0	397.0
Oct	402.0	404.0	399.5	403.8
Jan	409.0	412.0	412.0	410.8
April	419.0	—	—	—

SILVER 5,000 troy oz; cents/troy oz

	Close	High	Low	Prev
Feb	835.8	835.0	835.0	831.5
March	842.0	843.0	829.0	838.0
April	849.0	842.0	842.0	—
May	856.1	857.0	844.0	852.1
July	870.3	872.0	859.0	866.3
Sept	884.8	880.0	875.5	880.8
Dec	907.0	910.0	898.0	903.0
Jan	914.8	918.0	916.5	910.7
March	930.5	920.0	920.0	926.2
May	946.8	—	—	942.4

SUGAR WORLD "11" 112,000 lb: cents/lb

	Close	High	Low	Prev
March	7.54	7.58	7.32	7.42
May	7.82	7.84	7.61	7.71
July	8.16	8.17	7.94	8.03
Sept	8.42	8.42	8.18	8.29
Oct	8.60	8.60	8.34	8.46
Jan	9.21	9.15	8.90	9.18
March	9.63	9.55	9.38	9.46
May	9.85	9.72	9.64	9.74

CHICAGO

LIVE CATTLE 40,000 lb: Cents/lb

	Close	High	Low	Prev
Feb	69.05	69.77	68.82	69.37
April	67.15	67.77	66.85	67.12
June	67.27	67.55	66.90	67.05
August	65.70	65.75	65.30	65.47
Oct	63.47	63.60	63.35	63.30
Dec	64.40	64.52	64.25	64.35

LIVE HOGS 30,000 lb: Cents/lb

	Close	High	Low	Prev
Feb	51.95	53.10	51.50	52.80
April	48.25	49.25	48.02	48.77
June	54.20	55.05	53.87	54.77
July	55.27	56.00	54.90	55.75
August	54.85	55.70	54.70	55.25
Oct	52.00	52.65	51.90	52.27
Dec	53.50	53.70	53.10	53.40
Feb	52.40	53.10	52.95	52.95
April	51.20	51.40	51.20	51.20

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
March	328.6	330.2	326.4	329.0
May	332.2	332.6	329.6	332.4
July	332.0	332.6	330.0	332.2
Sept	304.0	305.6	302.4	305.0
Dec	288.2	289.2	287.0	289.0
March	298.4	299.0	297.0	299.0
May	304.2	304.2	303.2	305.0

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	67.42	69.50	66.42	68.30
March	68.02	69.85	67.05	68.70
May	69.15	71.20	68.36	70.22
July	70.07	71.80	69.30	71.02
Aug	68.07	70.25	67.45	69.10

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	733.0	735.0	720.0	732.4
May	749.0	751.0	738.0	749.4
July	762.4	764.0	751.0	761.4
August	760.4	760.4	751.0	758.2
Sept	733.0	733.4	726.0	734.6
Nov	717.4	718.0	711.4	716.4
Jan	729.4	729.4	724.4	729.4
March	742.4	742.4	739.0	742.4
May	752.0	—	—	754.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	196.0	196.3	192.4	194.4
May	199.1	199.2	195.5	197.5
July	202.0	202.5	198.5	200.4
August	202.0	202.5	198.5	200.0
Sept	199.0	198.5	196.3	197.0
Oct	195.0	195.0	192.0	194.0
Dec	197.0	197.0	193.8	194.8
Jan	198.0	—	—	196.0
March	201.0	—	—	198.5

SOYABEAN OIL 60,000 lbs, cents/lbs

	Close	High	Low	Prev
March	26.86	27.26	27.25	26.57
May	27.45	27.66	27.65	27.00
July	27.63	27.80	27.80	27.20
Aug	27.30	27.78	27.78	27.18
Sept	26.65	26.80	26.80	26.50
Oct	26.00	26.05	26.05	26.11
Dec	25.95	25.80	25.56	25.60
Jan	25.80	—	—	—

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	331.0	332.0	324.4	327.0
May	334.6	334.6	329.6	331.?
July	332.4	333.0	329.0	331.2
Sept	339.4	339.6	338.2	338.8
Dec	353.0	353.0	350.2	351.8
March	361.0	361.2	360.4	362.0

SPOT PRICES—Chicago loose lard 29.00 (same) cents per pound. New York tin 568.0-70.0 (568.0-72.0) cents per pound.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak in thin trade

The dollar lost ground on the foreign exchanges yesterday, touching its lows with the opening of the New York market, but finishing in London above its worst levels. A fall of $2.7bn in U.S. M1 money supply announced last Friday was the main factor behind the dollar's decline, but at the same time the downward drift was limited by the better than expected December trade figures, also published Friday, and the decision of President Reagan to seek another term of office.

Trading was very thin however, particularly before U.S. traders entered the market, but the dollar's trend this week may be influenced by today's figures on U.S. leading indicators, which are expected to show only a small rise in the region of 0.3 per cent. Other significant events are the present meeting of the Federal Open Market Committee to set monetary policy for the month, tomorrow's announcement of the U.S. Treasury refunding package for February, and Friday's U.S. unemployment figures.

In very quiet trade the dollar fell to DM 2.8110 from DM 2.8230 against the D-mark; FFr 8.5975 from FFr 8.6250 against the French franc; and SwFr 2.2410 from SwFr 2.2475 in terms of the Swiss franc, but rose slightly to Y234.55 from Y234.25 against the Japanese yen.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. December average 1.4344. Trade-weighted index 81.9 throughout the day, unchanged from Friday's close, compared with 85.4 six months ago.

The pound was on the sidelines, moving within a narrow range, and is unlikely to be influenced by either of the major statistics due for publication this week. These are UK official reserves and unemployment figures on Thursday. Sterling opened at $1.4055-1.4065, and after moving between $1.4045 and $1.4095, closed at $1.4075-1.4085, a rise of 45 points on the day. The pound eased slightly to DM 3.96 from DM 3.9625, but was unchanged at FFr 12.1025, and SwFr 3.1575, and rose to Y330.50 from Y329.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. December average 2.7487. Trade weighted index 123.4 against 125.7 six months ago.

The dollar was fixed at DM 2.8141 at yesterday's fixing in Frankfurt, unchanged from Friday. The Bundesbank sold $20.35m at the time. Trading was confined to a narrow range with the dollar's recent firmer trend countered by a larger than expected fall in U.S. money supply. Sterling was slightly firmer at DM 3.9570 from DM 3.9540 but the Swiss franc eased to DM 1.2548 from DM 1.2553. Within the EMS the Belgian franc was unchanged at DM 4.8960 per BFr 100 as was the French franc at DM 32.69 per FFr 100.

The Dutch guilder was a little easier at DM 88.8000 per Fl 100 from DM 88.840 but the Danish krone and Italian lira were both firmer at DM 27.585 per DKr 100 and DM 1.6410 per L100 respectively from DM 27.58 and DM 1.6400.

JAPANESE YEN — Trading range against the dollar in 1983-1984 is 246.90 to 226.80. December average 234.40. Trade weighted index 157.0 against 147.9 six months ago.

The dollar improved against the yen in Tokyo yesterday on good commercial demand ahead of the month end. It closed at Y234.50, around its best level of the day and up from an opening quotation of Y234.15 and Y234.30 at Friday's close. Demand for the D-mark also depressed the yen and the German unit rose to Y83.21 from Y83.16 previously. Dealers were unsure as to how the dollar would perform after the removal of end of month distortions with attention focussing once again on U.S. economic data.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	46.0891	+2.66	+1.96	±1.5447
Danish Krona ...	8.14104	8.18047	+0.48	−0.21	±1.6425
German D-Mark	2.24184	2.25562	+0.61	−0.08	±1.0642
French Franc ...	6.87456	6.90153	+0.39	−0.30	±1.4052
Dutch Guilder ...	2.52595	2.54038	+0.57	−0.12	±1.4964
Irish Punt	0.72569	0.729633	+0.54	−0.15	±1.6699
Italian Lira	1403.49	1375.25	−2.01	−2.01	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	Jan. 30	Prev. close
Spot	$1.4055-4065	$1.4060-4070
1 month	0.03-0.06 dis	0.05-0.07 dis
3 months	0.13-0.17 dis	0.15-0.17 dis
12 months	0.65-0.76 dis	0.70-0.74 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Jan 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4045-1.4095	1.4075-1.4085	0.03-0.08c dis	−0.47	0.13-0.18dis	−0.44
Canada	1.7520-1.7590	1.7570-1.7580	0.05-0.15c dis	−0.68	0.18-0.28dis	−0.52
Nethlnd.	4.44-4.47	4.46¼-4.46¾	1⅛-⅞c pm	3.03	3½-3¼ pm	3.14
Belgium	80.60-81.00	80.80-80.90	5-15c dis	−1.48	40-50 dis	−2.23
Denmark	14.31-14.36	14.33¼-14.34¼	2¼-3ore dis	−2.14	6¼-7 dis	−1.83
Ireland	1.2780-1.2820	1.2790-1.2800	0.28-0.36p dis	−3.00	0.81-0.96dis	−2.75
W. Ger.	3.94½-3.97	3.95½-3.96½	1½-1pf pm	3.41	3½-3 pm	3.28
Portugal	190.50-193.25	192.50-193.00	145-595c dis	−23.04	495-985dis	−15.46
Spain	222.75-223.75	223.15-223.35	170-205c dis	−10.08	510-605 dis	−9.99
Italy	2,405-2,414	2,410½-2,412½	13½-15½lire dis	−7.22	44½-48½dis	−7.56
Norway	11.02½-11.08	11.06½-11.07½	3¼-3⅞ore dis	−3.86	9½-10¼ dis	−3.57
France	12.07½-12.12½	12.09½-12.10½	2½-3½c dis	−2.97	11-12 dis	−3.80
Sweden	11.48-11.53	11.51½-11.52½	1¼-2¼ore dis	−1.82	4-5¼ dis	−1.61
Japan	328½-331½	330-331	0.80-0.70y pm	2.72	2.40-2.30 pm	2.84
Austria	27.80-27.95	27.88-27.93	7½-5⅞gro pm	2.90	22-18¾ pm	2.92
Switz.	3.14½-3.17	3.15¼-3.16¼	1⅝-1¼c pm	5.70	4¾-4¼ pm	5.70

Belgian rate is for convertible francs. Financial franc 82.35-82.45. Six-month forward dollar 0.25-0.30c dis. 12-month 0.65-0.75c dis.

THE DOLLAR SPOT AND FORWARD

Jan 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4045-1.4095	1.4075-1.4085	0.03-0.08c dis	−0.47	0.13-0.18dis	−0.44
Ireland†	1.0980-1.1020	1.0995-1.1005	0.25-0.22c pm	2.56	0.68-0.61 pm	2.34
Canada	1.2470-1.2485	1.2480-1.2485	0.01-0.03c dis	−0.19	0.01-0.03dis	−0.06
Nethlnd.	3.1630-3.1710	3.1630-3.1650	1.00-0.90c pm	3.60	2.85-2.85 pm	3.67
Belgium	57.40-57.65	57.42-57.44	5-6c dis	−1.15	24-27 dis	−1.78
Denmark	10.18-10.21½	10.19-10.19½	0.40-0.90ore dis	−0.76	0.90-1.40dis	−0.45
W. Ger.	2.8065-2.8165	2.8105-2.8115	0.87-0.82pf pm	3.60	2.65-2.60 pm	3.73
Portugal	136.90-137.50	136.90-137.40	100-210c dis	−13.56	330-880dis	−14.73
Spain	158.55-158.95	158.55-158.65	120-140c dis	−9.84	390-435dis	−10.40
Italy	1,712¼-1,717	1,712½-1,713½	9¾-10½lire dis	−7.10	30¾-31¾ dis	−7.30
Norway	7.8500-7.8785	7.8600-7.8650	2-2½ore dis	−3.43	6-6½ dis	−3.18
France	8.5875-8.6250	8.5950-8.6000	1.80-1.90c dis	−2.58	7.10-7.50dis	−3.39
Sweden	8.1760-8.1950	8.1825-8.1875	½-1 ore dis	−1.10	1¾-2¼ dis	−0.98
Japan	234.00-234.65	234.50-234.60	0.65-0.61y pm	3.22	1.95-1.90 pm	3.28
Austria	19.80-19.86	19.82-19.83	5.80-5.20gro pm	3.33	17.75-15.75pm	3.39
Switz.	2.2365-2.2465	2.2405-2.2415	1.20-1.16c pm	6.32	3.45-3.41 pm	6.12

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 58.50-58.55.

OTHER CURRENCIES

Jan. 30	£	$		£ Note Rates
Argentina Peso	36.61-36.68	26.02-26.05	Austria	27.75-28.05
Australia Dollar	1.5330-1.5350	1.0895-1.0900	Belgium	81.90-82.70
Brazil Cruzeiro	1,491.4-1,499.5	1,060-1,065	Denmark	14.29-14.42
Finland Markka	8.3435-8.3635	5.9400-5.9450	France	12.06-12.18
Greek Drachma	145.25-145.65	103.35-103.65	Germany	3.94-3.98
Hong Kong Dollar	10.96-10.97¼	7.8015-7.8035	Italy	2400-2450
Iran Rial	124.90*	88.60*	Japan	327-338
Kuwait Dinar (KD)	0.4140-0.4145	0.29445-0.29455	Netherlands	4.44-4.48
Luxembourg Fr.	80.80-80.90	57.42-57.44	Norway	11.02-11.13
Malaysia Dollar	3.2860-3.2920	2.3390-2.3405	Portugal	192-207
New Zealand Dlr.	2.1620-2.1670	1.5370-1.5390	Spain	222½-232½
Saudi Arab. Riyal	4.9365-4.9410	3.5100-3.5105	Sweden	11.46-11.57
Singapore Dollar	2.9920-3.0000	2.1295-2.1310	Switzerland	3.14-3.17
Sth African Rand	1.7865-1.7885	1.2690-1.2705	United States	1.39½-1.41½
U.A.E. Dirham	5.1645-5.1700	3.6720-3.6730	Yugoslavia	203-211

*Selling rates.

CURRENCY MOVEMENTS

Jan. 27	Bank of England Index	Morgan Guaranty Changes%
Sterling	81.9	−8.5
U.S. dollar	131.6	+19.2
Canadian dollar	92.5	+0.5
Austrian schilling	113.3	+2.7
Belgian franc	88.7	−12.3
Danish kroner	77.5	−6.4
Deutsche mark	123.4	+6.6
Swiss franc	149.6	+13.8
Guilder	113.2	+3.6
French franc	65.4	−15.9
Lira	48.3	−13.7
Yen	157.0	+12.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Jan. 30	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.735605	0.570715
U.S. $	8½	1.03436	0.802507
Canadian$	9.98	*	1.00140
Austria Sch.	3¾	20.5239	15.9235
Belgian Fr	10	59.4803	46.0891
Danish Kr	7	10.5613	8.18047
D'mark	4	2.91051	2.25562
Guilder	5	3.27809	2.54038
French Fr	9½	8.90446	6.90153
Lira	17	1772.98	1375.25
Yen	5	242.482	188.209
Norwgn Kr	8	8.14997	6.31162
Spanish Pta.	—	164.190	127.452
Swedish Kr.	8½	8.46180	6.56163
Swiss Fr	4	2.31953	1.79918
Greek Dr'ch	20½	107.030	83.0126

*C$/SDR rate for Jan 27: 1.29103.

EXCHANGE CROSS RATES

Jan. 30	Pound St'rling	U.S. Dollar	Deusche m'k	Jananese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.408	3.960	330.5	12.103	3.158	4.458	2412.	1.758	80.85
U.S. Dollar	0.710	1.	2.811	234.6	8.598	2.241	3.164	1713.	1.248	57.43
Deutschemark	0.253	0.356	1.	83.46	3.056	0.797	1.126	609.0	0.444	20.42
Japanese Yen 1,000	3.026	4.260	11.98	1000.	36.63	9.554	13.49	7297.	5.318	244.6
French Franc 10	0.826	1.163	3.272	273.1	10.	2.609	3.683	1993.	1.452	66.80
Swiss Franc	0.317	0.446	1.254	104.7	3.833	1.	1.412	763.7	0.557	25.61
Dutch Guilder	0.224	0.316	0.888	74.14	2.715	0.708	1.	541.0	0.394	18.14
Italian Lira 1,000	0.415	0.584	1.642	137.1	5.019	1.309	1.848	1000	0.729	33.53
Canadian Dollar	0.569	0.801	2.253	188.1	6.886	1.797	2.536	1372.	1.	46.00
Belgian Franc 100	1.237	1.741	4.898	408.8	14.97	3.905	5.513	2983.	2.174	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9 1/16-9 3/16	9¼-9½	9½-10	5⅞-6	50-52	5 11/16-5 13/16	11¾-12	11½-13	9¾-10¼	9¾-10¼	6 1/16-6 3/16	10⅝-11⅛
7 days' notice	9⅛-9¼	9⅜-9⅝	9½-10	5⅞-6	1⅝-1⅞	5⅝-5¾	11⅞-12⅛	16-17½	10-10½	10¼-10½	6 1/16-6 3/16	10½-11
Month	9 3/16-9 5/16	9 5/16-9 7/16	9 3/16-9 5/16	5⅞-6	3-3⅛	5 11/16-5 13/16	12⅛-12⅝	16½-17¼	10½-11	10⅝-10⅞	6⅛-6¼	11⅛-11⅝
Three months	9⅜-9½	9½-9⅝	9 7/16-9 9/16	5 15/16-6 1/16	3 3/16-3 5/16	5⅞-6	12½-13	16⅞-17⅜	11⅝-11⅞	10⅞-11⅛	6⅜-6½	10⅞-11⅜
Six months	9½-9⅝	9¾-10	9 13/16-10 1/16	6⅛-6¼	3¼-3⅜	6⅛-6¼	13¾-14	17¼-17¾	11⅝-11⅞	11⅛-11⅜	6⅜-6½	10⅞-11⅜
One year	9⅞-10	10⅛-10⅜	10 1/16-10 5/16	6 3/16-6 5/16	4-4⅛	6⅜-6½	14⅝-14⅞	17⅞-18⅜	11⅝-11⅞	11⅛-11⅜	6½-6⅝	11-11½

Asian $ (closing rates in Singapore): Short-term 9 7/16-9 9/16 per cent; seven days 9½-9⅝ per cent; one month 9 9/16-9 11/16 per cent; three months 9 13/16-9 15/16 per cent; six months 9⅞-10 per cent; one year 10 3/16-10 5/16 per cent. Long-term Eurodollars two years 10⅞-11⅛ per cent; three years 11⅜-11⅝ per cent; four years 11¾-12 per cent; five years 12-12¼ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

London rates steady

Short-term interest rates were little changed on the London money market yesterday. Three-month sterling interbank was steady at 9 5/16 per cent, but discount houses buying rates for three-month eligible bank bills eased to 8⅞ per cent from 8 29/32 per cent.

The Bank of England forecast a money market shortage of £200m in the morning, but this was later revised to £150m, although the authorities provided total assistance of £225m. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from Friday's tender drained £452m, but this was partly offset by Exchequer transactions adding £10m to liquidity, plus a fall in the note circulation of £249m.

Before lunch the Bank of England bought £79m bills by way of £9m bank bills in band 2 (15 to 33 days maturity) at 9 per cent, and £29m bank bills in band 3 (34-63 days) at 8 13/16 per cent.

In the afternoon another £96m bills were purchased through £30m in band 2 at 9 per cent, and £66m in band 3 at 8 13/16 per cent. The authorities also provided late assistance of around £50m.

In Paris the Bank of France left its money market intervention rate at 12 per cent when it bought first category paper for value today. No change had been expected in the rate, which has remained at 12 per cent since November 29. Call money was also steady at 11¾ per cent, with period rates unchanged. About 50 per cent of the paper acquired by the Bank of France will mature between March 1 and March 31, equivalent to about FFr 20bn.

In Amsterdam interest rates were mostly steady, although call money eased to 5 11/16 per cent from 5 13/16 per cent. This followed a special advance of Fl 3.256bn provided by the Dutch central bank at the end of last week.

In New York the Federal Reserve Bank added $1.5bn of liquidity to the banking system through repurchase agreements for customer account. Federal funds were trading at 9 7/16 per cent at the time.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Jan. 30	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.5-5.6	11¾	½-1½	5⅝-5¾	6.15625	17½-18	9.40	12¼-12½
One month	5.8-5.95	12 1/16-12 3/16	3 5/16-3 7/16	5¾-5⅞	6.21875	17½-17⅝	10⅜-10¾	12¼-12½
Two months	5.95-6.05	12 1/16-12 3/16	—	—	—	—	—	12¼-12½
Three months	6.05-6.20	12 1/16-12 3/16	3 5/16-3 7/16	6-6⅛	6.28125	17¾-18⅛	10⅞-11⅛	12¼-12½
Six months	6.25-6.35	12 3/16-12 5/16	—	6⅛-6¼	—	—	11⅛-11⅜	12¼-12½
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅛	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 30 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	7-9¼	9-9⅛	8½-9¼	6-9	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or...	—	—	—	—	—	—	—	—	—	—
7 day notice	—	9-9¼	9-9⅛	9⅜-9½	9-9 1/16	—	—	—	—	—
One month	9¼-9⅛	9 1/16-9 3/16	9 1/16	9⅜-9½	9-9 3/16	9-9⅛	8 27/32	9-9 1/16	8 27/32-9	9 5/16
Two months	9 1/16-9 3/16	9¼-9⅜	9⅛	9⅝	9-9 1/16	8⅞	8¾	8 27/32	8 27/32-8 15/16	9 3/16
Three months	9 3/16-9 5/16	9⅜-9½	9 3/16	9⅝	9-9⅛	8⅞	8 23/32-8 25/32	8⅞	8 23/32-8 27/32	9½
Six months	9 7/16-9 9/16	9 7/16-9 9/16	9 7/16	—	—	—	—	9	8 27/32	9⅝
Nine months	9 9/16-9 11/16	9 9/16-9 11/16	9⅝	—	—	—	—	—	—	—
One year	9 11/16-9 13/16	9 13/16-10	9⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅝-9⅜	—	9 3/16	9.4-9.5	8½-8¾	9 1/16-9 3/16
Two months	9¼-9⅛	—	9¼	9.45-9.55	8⅝-8⅞	9 3/16-9 5/16
Three months	9¼-9⅛	—	9½	9.45-9.55	8¾-9	9 3/16-9 5/16
Six months	9¼-9	—	9⅝	9.6-9.7	9-9¼	9⅝-9⅞
Nine months	9⅞-9½	—	9 11/16	9.7-9.8	—	—
One year	9⅞-9½	—	10	9.9-10.1	9¼-9½	9 13/16-10 1/16
Two years	—	10½	—	—	—	—
Three years	—	10¾	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from January 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8590 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month: 9½ per cent; one-three months 9¾ per cent; three-six months 10 per cent; six-12 months 10¼ per cent. Under £100,000 9½ per cent from January 12. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10½-10½
Fed funds	9 7/16
Fed funds at intervention	9 7/16

Treasury Bills

One month	8.65
Two month	8.70
Three month	8.85
Six month	8.94
One year	8.98

Treasury Bonds

Two year	100¼
Three year	100½
Four year	100½
Five year	100¾
Seven year	100¾
10 year	100⅞
30 year	102 11/32

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. January 30)

3 months U.S. dollars	
bid 9 5/8	offer 9 3/4

6 months U.S. dollars	
bid 9 7/8	offer 10

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Eurodollars firm

Euro-dollar prices improved in the London International Financial Futures Exchange yesterday. Sentiment was influenced by a steady Federal funds rate and better-than-expected U.S. money supply figures announced on Friday. President Reagan's decision to stand for re-election was also an influence. These factors together proved to be mildly bullish and after an early unsuccessful attempt to push values lower as U.S. markets opened, prices finished close to the day's highs.

The market continues to focus its attention on U.S. statistics in order to try and assess the possible effect on interest rates. U.S. leading economic indicators are due for release today. A small increase is expected and this would tend to reinforce market views that the U.S. economy is not as weak as some recent statistics may have suggested. The March Euro-dollar price opened at 90.27 up from 90.23 and touched a best level of 90.32 before finishing at 90.30.

Gilt prices improved in early trading, helped by sterling's steadier performance and a stronger cash market. There was little movement during the afternoon apart from a brief attempt to push values lower. The March price opened at 108-18 up from Friday's close of 108-10 and touched a best level of 109-08 before finishing at 109-06.

Short sterling was also firmer. The March price opened at 90.64 and rose to 90.69, after touching a high of 90.70, and compared with Friday's settlement price of 90.63. The distant March contract attracted 15 transactions in its new £½m form.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.30	90.32	90.27	90.23
June	89.92	89.94	89.92	89.86
Sept	89.61	89.63	89.61	89.55
Dec	89.32	89.33	89.32	89.26
March	89.03	89.03	89.02	89.07

Volume 2,098 (2,429)
Previous day's open int. 9,420 (9,288)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.69	90.70	90.64	90.63
June	90.43	90.43	90.41	90.38
Sept	90.24	90.24	90.22	90.17
Dec	90.11	—	—	90.03

Volume 868 (407)
Previous day's open int. 6,059 (6,066)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	109-06	109-08	108-18	108-10
June	108-14	108-15	107-28	107-18
Sept	107-28	—	—	107-03
Dec	107-12	—	—	106-20
March	106-30	—	—	106-05

Volume 3,343 (2,095)
Previous day's open int. 3,989 (3,970)
Basis quote (clean cash price 13¾% Treasury 2003 less equivalent price of near futures contract) 28 to 40 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4060	1.4097	1.4064	1.4045
June	1.4075	—	—	1.4061
Sept	1.4095	—	—	1.4081

Volume 236 (168)
Previous day's open int. 2,442 (2,408)

DEUTSCHE MARKS DM125,000 $ per DM

	Close	High	Low	Prev
March	0.3571	0.3579	0.3565	0.3563
June	0.3603	—	—	0.3595
Sept	0.3655	—	—	0.3647

Volume 29 (20)
Previous day's open int. 379 (394)

SWISS FRANCS SwFr125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4500	—	—	0.4488
June	0.4563	—	—	0.4554

Volume nil (14)
Previous day's open int. 151 (151)

JAPANESE YEN Y12.5m $ per 100

	Close	High	Low	Prev
March	0.4280	0.4283	0.4280	0.4287
June	0.4317	—	—	0.4324
Sept	—	—	—	—

Volume 151 (2)
Previous day's open int. 314 (314)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	71-04	71-10	71-04	71-04
June	70-19	70-24	70-19	70-17
Sept	70-01	70-06	70-01	69-31
Dec	69-17	69-20	69-17	69-15
March	69-02	69-05	69-02	69-00
June	68-20	68-22	68-20	68-18
Sept	—	—	—	68-06
Dec	—	—	—	62-27
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	91.08	91.12	91.08	91.05
June	—	90.80	90.77	90.73
Sept	90.47	90.49	90.47	90.43
Dec	—	90.22	90.19	90.17
March	—	89.95	89.92	89.90
June	—	89.70	89.66	89.65
Sept	89.46	89.46	89.46	89.43
Dec	89.24	89.24	—	89.23

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	—	90.52	89.05	90.43
June	90.06	90.10	90.06	90.01
Sept	89.71	89.74	89.71	89.65
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.00	90.04	90.00	89.95
June	89.44	89.66	89.63	89.58
Sept	89.31	89.33	89.31	89.26
Dec	89.00	89.02	89.00	88.96
March	—	88.72	88.69	88.67
June	—	88.45	88.43	88.41

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.4090	1.4100	1.4050	1.4060
June	—	1.4120	1.4070	1.4080
Sept	1.4135	1.4135	1.4105	1.4095
Dec	1.4155	1.4155	1.4125	1.4115
March	1.4175	1.4175	1.4150	1.4135
June	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	70-02	70-06	70-02	70-00
June	69-06	69-10	69-04	69-03
Sept	—	—	—	68-08
Dec	67-20	67-21	67-20	67-16
March	—	—	—	—
June	—	—	—	66-09
Sept	—	—	—	65-26
Dec	—	65-17	65-15	65-13
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

COMPANY NOTICES

U.S.$175,000,000 of which U.S.$46,145,000 has been issued as a Subsequent Tranche

OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT

10% Guaranteed Notes Due 1991
Guaranteed by
THE REPUBLIC OF AUSTRIA

Arrangements have been completed for the issue by Oesterreichische Kontrollbank Aktiengesellschaft of U.S.$46,145,000 aggregate principal amount of Guaranteed Notes Due 1991 of U.S.$5,000 each as a subsequent Tranche of its U.S.$175,000,000 Guaranteed Notes Due 1991. Notes of this Subsequent Tranche contain the same terms and conditions as, and rank in all respects pari passu with, the Notes of the Initial Tranche of U.S.$100,000,000 issued on 18th April, 1983. Particulars of the Notes are available in the Extel Statistical Service. This Subsequent Tranche has been admitted to the Official List by the Council of The Stock Exchange.

Orion Royal Bank Limited
Agent Bank

31st January, 1984.

BAXTER/TRAVENOL INTERNATIONAL CAPITAL CORPORATION

FIRST SERIES CONVERTIBLE PREFERRED STOCK

Bearer Depositary Receipts issued by Morgan Guaranty Trust Co. of New York

A distribution of $0.63 per depositary share less any applicable taxes depending on the presentor's country of residence will be payable on and after January 23, 1984 upon presentation of Coupon No. 25 at the office of any of the following depositaries:

MORGAN GUARANTY CY OF NEW YORK
—New York, 30 West Broadway
—London, 1 Angel Court
—Bruxelles, 35 avenue des Arts
—Paris, 14 Place Vendôme
—Frankfurt, 46 Mainzer Landstrasse
KREDIETBANK SA
—Boulevard Royal 43, Luxembourg

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on January 30 1984. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

Place	Local unit	Value of £ sterling
Afghanistan	Afghani	99.00
Albania	Lek	10.15
Algeria	Dinar	(A) 7.0020
Andorra	French Franc	12.1025
	Spanish Peseta	223.25
Angola	Kwanza	(CM) 46.4115
Antigua	E. Caribbean $	3.80
Argentina	New Peso	36.645
Australia	Australian $	1.5340
Austria	Schilling	27.905
Azores	Portugu'se Escudo	192.75
Bahamas	Ba. Dollar	1.4080
Bahrain	Dinar	0.530
Balearic Isles	Spa. Peseta	223.25
Bangladesh	Taka	34.91
Barbados	Barbados $	2.8160
Belgium	B. Franc	(cm) 80.85
		(fn) 82.40
Belize	B $	2.8160
Benin	C.F.A. Franc	605.125
Bermuda	Bda $	1.4080
Bhutan	Indian Rupee	15.0375
Bolivia	Bolivian Peso	(O) 704.00
Botswana	Pula	1.6600
Brazil	Cruzeiro ‡‡	1,495.46
Brit. Virgin Isles	U.S. $	1.4080
Brunei	Brunei $	2.9960
Bulgaria	Lev	1.4471
Burma	Kyat	11.7090
Burundi	Burundi Franc	168.58
Cameroon	C.F.A. Franc	605.125
Canada	Canadian $	1.7575
Canary Islands	Spanish Peseta	223.25
Cape Verde Is.	Cape V. Escudo	102.16
Cayman Islands	Cay. Is. $	1.1733
Cent. Afr. Republic	C.F.A. Franc	605.125
Chad	C.F.A. Franc	605.125
Chile	Chilean Peso	123.75
China	Renminbi Yuan	2.9070
Colombia	Col. Peso	(F) 126.71
Comoro Islands	C.F.A. Franc	605.125
Congo (Brazaville)	C.F.A. Franc	605.125
Costa Rica	Colon	(U) 61.10
Cuba	Cuban Peso	1.2235
Cyprus	Cyprus £	0.800
Czechoslovakia	Koruna	(com) 9.40
		n/c 16.66
		(T) 16.36
Denmark	Danish Kroner	14.3425
Djibouti	Djibouti Franc	248 (sg)
Dominica	E. Caribbean $	3.80
Dominican Repub.	Dominican Peso	(O) 1.4080
		(7) 2.2220
Ecuador	Sucre	(O) 77.75
		(F) 125.30
Egypt	Egyptian £	(U) 1.1620
Equatorial Guinea	Ekuele	446.5
Ethiopia	Ethiopian Birr	(P) 2.8800
Falkland Islands	Falkland Is £	1.0
Faroe Islands	Danish Kroner	14.3425
Fiji Islands	Fiji $	1.4760
Finland	Markka	8.3535
France	French Franc	12.1025
French C'tyin Af.	C.F.A. Franc	605.125
French Guiana	Local Franc	12.1025
French Pacific Is.	C.F.P. Franc	212 (sg)
Gabon	C.F.A. Franc	605.125
Gambia	Dalasi	4.00
Germany (East)	Ostmark	3.96
Germany (West)	Deutsche Mark	3.96
Ghana	Cedi	42.165
Gibraltar	Gibraltar £	1.0
Greece	Drachma	145.46
Greenland	Danish Kroner	14.3425
Grenada	E. Caribbean $	3.80
Guadaloupe	Local Franc	12.1025
Guam	U.S. $	1.4080
Guatemala	Quetzal	1.4080
Guinea	Syli	33.60
Guinea-Bissau	Peso	119.75
Guyana	Guyanese $	5.2725
Haiti	Gourde	7.04
Honduras	Lempira	2.8400
Hong Kong	H.K. $	10.96625
Hungary	Forint	63.85‡‡
Iceland	I. Krona	41.46
India	Ind. Rupee	15.0375
Indonesia	Rupiah	1,399.0
Iran	Rial	124.90(sg)
Iraq	Iraqi Dinar	0.4370
Irish Republic	Irish £	1.2795
Israel	Shekel	173.25
Italy	Lira	2,411.5
Ivory Coast	C.F.A. Franc	605.125
Jamaica	Jamaica Dollar	4.7870‡‡
Japan	Yen	330.5
Jordan	Jordanian Dinar	0.5295
Kampuchea	Riel	N/A
Kenya	Kenya Shilling	19.47
Kiribati	Australian $	1.5340
Korea (Nth)	Won	1.6555(ll)
Korea (Sth)	Won	1,123.6
Kuwait	Kuwaiti Dinar	0.41425
Laos	New Kip	49.28
Lebanon	Lebanese £	8.1725
Lesotho	Maluti	1.7875
Liberia	Liberian $	1.4080
Libya	Libyan Dinar	0.4168
Liechtenstein	Swiss Franc	3.1575
Luxembourg	Lux Franc	80.85
Macao	Pataca	11.40
Madeira	Portug'se Escudo	192.75
Malagasy Republic	MG Franc	685.20
Malawi	Kwacha	1.90
Malaysia	Ringgit	3.2890
Maldive Islands	Rufiyaa	10.63
Mali Republic	Mali Franc	1,210.25
Malta	Maltese £	0.635
Martinique	Local Franc	12.1025
Mauritania	Ouguiya	78.625
Mauritius	M. Rupee	18.175
Mexico	Mexican Peso	(F) 232.50
		(C) 207.10
Miquelon	Local Franc	12.1025
Monaco	French Franc	12.1025
Mongolia	Tugrik	4.75 (ll)
Montserrat	E. Caribbean $	3.80
Morocco	Dirham	11.25(sg)
Mozambique	Metical	(A) 58.90
Namibia	S.A Rand	1.7875
Nauru	Australian Dollar	1.5340
Nepal	Nepalese Rupee	22.15
Netherlands	Guilder	4.4575
Netherland Antilles	Antillian Guilder	2.5205
New Zealand	N.Z. Dollar	2.1645
Nicaragua	Cordoba	13.95
Niger Republic	C.F.A. Franc	605.125
Nigeria	Naira	1.066737(sg)
Norway	Norwegian Krone	11.07
Oman Sul'ate of	Rial Omani	0.486
Pakistan	Pakistan Rupee	19.03
Panama	Balboa	1.4080
Papua N.Guinea	Kina	1.2220
Paraguay	Guarani	(O) 175.40
		(F) 224.0
Peru	Sol	(exe)(A) 3,257.0
Philippines	Philippine Peso	19.67
Pitcairn Islands	£ Sterling	—
	New Zealand $	2.1645
Poland	Zloty	138.66
Portugal	Portugu'se Escudo	192.75
Puerto Rico	U.S. $	1.4080
Qatar	Qatari Ryal	5.118
Reunion Island	French Franc	12.1025
Romania	Leu	(Cm) 6.67
		(N/C) 20.14
Rwanda	Rwanda Franc	139.295
St. Christopher	E. Caribbean $	3.80
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	3.80
St. Pierre	Local Franc	12.1025
St. Vincent	E. Caribbean $	3.57
Salvador El	Colon	3.5146
Samoa American	U.S. $	1.4080
San Marino	Italian Lira	2,411.5
Sao Tome & Prin.	Dobra	56.35
Saudi Arabia	Saudi Ryal	4.93875
Senegal	C.F.A. Franc	605.125
Seychelles	S. Rupee	9.68(sg)
Sierra Leone	Leone	(O) 3.50
Singapore	Singapore $	2.9960
Solomon Islands	Solomon Is. $	1.7235
Somali Republic	Somali Shilling	24.70
South Africa	Rand	1.7875
Spain	Peseta	223.25
Spanish ports in North Africa	Peseta	223.25
Sri Lanka	S. L. Rupee	35.20
Sudan Republic	Sudan £ (u)	1.8525
Surinam	S. Guilder	2.5203
Swaziland	Lilangeni	1.7875
Sweden	S. Krona	11.52
Switzerland	Swiss Franc	3.1575
Syria	Syrian £	(A) (T) 10.0
		(CM) 6.20
Taiwan	New Taiwan $	56.50
Tanzania	Tan. Shilling	17.675 (sg)
Thailand	Baht	32.26
Togo Republic	C.F.A. Franc	605.125
Tonga Islands	Ha'anga	1.5340
Trinidad	Trinidad & Tob. $	3.3792
Tunisia	Tunisian Dinar	1.012(sg)
Turkey	Turkish Lira	435.51
Turks & Caicos	U.S. $	1.4080
Tuvalu	Australian $	1.5340
Uganda	Uganda Shilling	345.0
		407.5 (3)
United States	U.S. Dollar	1.4080
Uruguay	Uruguay Peso	65.25
Utd. Arab Emirates	U.A.E. Dirham	5.16725
U.S.S.R.	Rouble	1.1244
Upper Volta	C.F.A. Franc	605.125
Vanuatu	Vatu	144.40
Vatican	Italian Lira	2,411.5
Venezuela	Bolivar	(4) 7.25
		(5) 13.99
		(6) 19.06
Vietnam	Dong	(O) 14.1270
Virgin Island U.S.	U.S. Dollar	1.4080
Western Samoa	Samoan Tala	(A) 2.28
Yemen (Nth)	Ryal	6.4675 (sg)
Yemen (Sth)	S. Yemen Dinar	(A) 0.4815
Yugoslavia	New Y Dinar	180.0078
Zaire Republic	Zaire	44.9860
Zambia	Kwacha	2.30
Zimbabwe	Zimbabwe $	1.61

* Rate is the transfer market (controlled). ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (ll) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (3) Non-essential imports and private sector applicants. (4) Preferential rate for public sector debt and essential imports. (5) Government controlled for non-essential imports. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate.

INTERNATIONAL CAPITAL MARKETS

GOVERNMENT GUARANTEED BONDS TO RAISE Y603BN

Japan to lift foreign borrowing

BY YOKO SHIBATA IN TOKYO

JAPAN has decided to sharply increase the amount of overseas borrowing in the form of government guaranteed bonds by state departments, companies and agencies.

For fiscal 1985, starting from April 1, the Finance Ministry is planning to raise Y603bn ($2.6bn) worth of such bonds, almost 50 per cent up on this year's Y409bn.

Overseas borrowing in the private capital market by governmental bodies has had to increase to make up for the slackening of the growth in funds from domestic sources. For fiscal 1985 the country's investment and loan programme is seen as totalling Y21,000bn – a rise of only 1.9 per cent over the current year's level.

With the Swiss franc market nearing saturation point from Japanese government and corporate issues, the ministry is known to be directing borrowers towards both the Eurodollar and the New York market.

The ministry and the Japan Development Bank are currently preparing to issue US$100m worth of government guaranteed bonds in New York before the end of March to help the flow of dollar funds into Japan so as to boost the yen against the US currency.

In yet another capital markets liberalisation measure the ministry is to ease from April the rules governing the issuing of "Samurai bonds" – yen-denominated bonds issued by foreign governments and agencies on the Japanese capital markets.

Under the formula worked out by Japanese underwriting securities companies, criteria for issuers new to the market are to be eased to allow issues by foreign governments and agencies rated AA, instead of AAA by the private Japanese Bond Research Institute.

Also, the same borrower will be able to float a Samurai bond without waiting for six months or more. The maximum amount of a Samurai bond for the World Bank, Asian Development Bank and Inter-American Development Bank is to be lifted by Y10bn to Y30bn. The maximum amount for other AAA borrowers is to be set at Y20bn.

The new rules were originally planned to come into effect last autumn but were shelved owing to the persistent weakness of the yen against the U.S. dollar. This put borrowers off the Samurai market for fear of foreign exchange losses at the time of redemption.

The ministry has also been concerned that relaxation of the rules would prompt an outflow of funds from Japan – meaning a further weakening of the yen. In view of the severe criticism of the closed nature of the Japanese capital market, the ministry and the underwriting securities companies have now decided to relax the Samurai bond flotation rules.

In 1983 there were 41 Samurai bond issues worth Y720bn, up by 8.6 per cent from the Y663bn in 1982 for 32 issues. Following this relaxing of the rules, the number and value of Samurai bond issues in 1984 are expected to increase considerably.

Active primary market nears $300m

BY MARY ANN SIEGHART IN LONDON

DESPITE a conspicuous lack of retail interest in the Eurodollar bond secondary market, new issue activity yesterday was strong with nearly $300m of bonds being launched.

Industrial Bank of Japan launched a $125m, five-year bond which carries an 11½ per cent coupon at par. IBJ International is leading the deal with S.G. Warburg, Morgan Guaranty and Morgan Stanley. Like all recent Japanese bank fixed-rate bonds, the proceeds of the issue will be swapped for floating rate funds. IBJ is understood to be receiving this money at a rate substantially under the London interbank offered rate (Libor).

Despite its relatively low coupon, the issue traded within its selling concession, reflecting investors' preference for five-year paper.

Commerzbank's $100m floating rate note, launched over the weekend, continued to holdup well, just inside its front-end fees of 0.45 per cent.

The five-year issue pays a coupon set at three-month Libor at par and is led by Commerzbank with Credit Suisse First Boston and Orion Royal Bank. Each $10,000 bond carries 10 warrants, priced at $12.50 each, to buy into a five-year, 11¾ per cent bond at par. The warrants have a 3¾-year life and were trading yesterday around their offer price.

Mitsubishi Metal Corporation, meanwhile, is raising $40m through a five-year bond with an indicated 6 per cent coupon at par. With each $5000 bond is included one warrant to buy $5,000 worth of the company's equity at a premium of about 2½ per cent over the share price.

Nikko Securities, the lead manager, will price the deal on February 8. Mitsubishi Finance and Morgan Grenfell are co-leaders, the former making its debut as a co-lead manager of a public issue.

The bond was very warmly received, trading at a small premium to its par price.

Salomon Brothers announced a novel deal yesterday, based on a technique already widely used in the U.S. domestic market. It is issuing $487.5m "certificates of accrual" or "Cats" on an Inter-American Development Bank 12¼ per cent, due 2008 Yankee bond which was launched last year.

BHF Bank bond average		
Jan 30		Previous
98.511		98.503
High	1983-84	Low
102.017		97.699

The idea is that Salomon strips the coupons from the bonds and sells the stripped bonds at a discount so that they become zero-coupons. The investor then receives his return in the form of capital gain rather than income.

Salomon, which is leading and underwriting the deal itself, is issuing a series of tranches, maturing every June and December between June 1984 and the final maturity date in 2008. The last tranche is for $127.35m, while the preceding ones are for $7.35m each. Salomon has bought $120m of the original issue, but the addition of the coupon payments brings the total to $487.5m.

Hill Samuel, the UK merchant bank, yesterday launched a $30m FRN which pays ⅛ per cent over the mean of the six-month London interbank bid and offered rates at par. The 12-year bond is led by Morgan Guaranty and Hill Samuel and traded at a small 0.15 per cent discount from par, well within its 0.60 per cent front-end fees.

Today should see the launch of a $250m floater from Credit Commercial de France, the French bank. It plans to lead the deal itself and the terms are expected to include a 12-year life and a spread of ⅛ point over the mean of the 6-month bid and offered rates.

In Germany, Pepsico, always a popular name, launched a very sucessful, though large, DM 250m deal through Dresdner Bank. The bond has a 10-year life and a 7¼ per cent coupon at par. It traded at a ½ point discount, well within its 1½ point selling concession.

Turkish Euroloan progresses

By Peter Montagnon, Euromarkets Correspondent

MANUFACTURERS Hanover is to co-ordinate the loan of at least $300m being sought by Turkey to help cover its external financing needs for this year.

Terms of the loan, which is to be assembled on a club basis, include a margin of 1½ points over London Eurodollar rates or 1¼ points over the U.S. prime. The loan will mature in six years, although repayments are due to start after a grace period of 3½ years.

These margins are the same as those won by Turkey on a $200m loan arranged last year, although that loan had a shorter life of only five years. This time round, Turkey has been particularly keen to stretch out the maturity on its new loan, partly because it faces large repayments next year of short term convertible lira deposits rescheduled in the late 1970s.

Initial response to the new loan has been positive. Turkey is now benefiting from its rarity value in the Eurocredit market, which has offered only limited new lending opportunities this year. The country's credit rating is now seen as well on the way to full rehabilitation.

Austrian terms confirm drop in margins

By Our Euromarkets Correspondent

FURTHER EVIDENCE of downward pressure on margins for top quality borrowers in the Eurocredit market has come with a $100m, eight-year credit for Austria.

Led by Citicorp, Midland and Dai-Ichi-Kangyo, the loan bears a margin of only ⅜ per cent over London Eurodollar rates. Repayments are due to begin after a grace period of six years.

The loan, which was due to be signed yesterday, had been placed with a very small club of providing banks along the usual discreet lines normally employed by the Austrian authorities.

It is understood that the terms for the deal were arranged several months ago, but it was not completed until now so that it would count as part of the country's 1984 borrowing requirement rather than adding to last year's total.

SwFr foreign borrowing hits record

FOREIGN Swiss-franc borrowings reached a record level last year, according to the Swiss National Bank, rising some 5.8 per cent to SwFr 40.2bn ($16.2bn).

This was largely because of a 17-per cent jump, to SwFr 20.7bn, in the volume of private placements by foreigners, particularly as a result of a large number of medium-term note issues by Japanese borrowers, which accounted for more than half of the entire private placement market.

The volume of public bond issues by foreign borrowers rose 3 per cent to SwFr 10.3bn. Within this total, the share of twin-currency issues rose to 12 per cent, compared with only 4 per cent in 1982.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 30.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Comm 11⅛ 90	100	100¾	100⅞	+0⅛	-0⅛	11.09
Australia Comm 11½ 95	300	97⅜	97⅞	+0⅛	+0⅛	11.86
Australia Comm 11⅝ 98	100	97⅜	97⅞	-0⅛	+0⅛	11.96
Bank of Tokyo 11 90	100	95¼	95⅜	0	+0¼	12.05
Bank of Tokyo 11⅞ 90	100	98⅝	99½	+0⅜	+0⅝	12.11
British Fin 11⅞ 90	125	99¾	100⅛	0	0	11.87
Canada 10⅞ 88	500	98⅜	98⅞	0	0	11.23
C.C.C.E. 12⅝ 95	75	100¼	100¾	+0⅛	+0⅛	12.51
C.I.B.C. 11 90	75	92⅜	92⅞	-0⅛	+0⅛	12.75
Citicorp O/S 10⅝ 90	100	91⅝	92⅛	+0¼	+0⅛	12.28
Citicorp O/S 11⅞ 90	100	98¼	98¾	+0¼	+0¼	12.88
Den Norsk Cred 11¼ 93	50	92½	93	0	0	12.59
Denmark Kingdom 12¼ 93	100	98½	99	+0½	+0⅝	12.48
E.C.S.C. 11⅞ 90	75	99½	100	+0¼	+0¼	11.89
E.D.F. 11⅛ 93	100	93⅝	94⅛	+0⅛	+0⅛	12.24
E.E.C. 11 87	350	98⅝	99⅛	+0⅛	+0⅛	11.35
E.E.C. 12 93	50	99⅞	100⅜	+0¼	-0¼	11.98
E.I.B. 10⅝ 93	200	92½	93	+0⅛	+0⅜	12.88
E.I.B. 11 91	125	95	95½	+0⅛	+0⅛	12.02
E.I.B. 11½ 90	200	97⅛	97⅝	+0⅛	+0¼	12.07
Eksportfinans 11½ 90	100	97⅛	97⅝	+0¼	+0⅛	12.06
Electrolux 10½ 90	50	92⅝	93⅛	+0⅛	-0⅛	12.11
Fuji Int Fin 10⅞ 90	100†	93¾	94¼	+0¼	+0¼	12.27
GMAC O/S Fin 11⅞ 90	100	99½	100	0	+0⅛	11.40
Honeywell Int 10¾ 90	100	96⅛	96⅝	+0⅛	+0¼	11.58
IC Indust Fin 11⅞ 98	75	96⅛	96⅝	-0⅛	-0⅛	12.41
Indust Bk Japan 11⅝ 91	100	99¼	99¾	+0⅜	+0⅜	11.85
ITT Finance 11½ 89 WW	125	99½	100	+0⅛	+0⅛	11.54
Japan Air Lines 10⅞ 98	42	92⅜	92⅞	+0⅛	+0⅜	11.96
Japan Air Lines 11 93	75	94⅞	95⅜	+0⅛	+0⅛	11.86
J.C. Penney 11⅞ 90	100	100⅜	100⅞	-0⅛	-0⅛	11.71
J. P. Morgan 11⅜ 90 WW	150	99	99½	+0¼	+0¼	11.51
Levi Strauss Int 11 90	75	97	97½	+0½	+0¾	11.68
L.T.C.B. 10¾ 90	100	93½	94	+0⅛	+0⅛	12.19
L.T.C.B. 12½ 90	85	102	102½	+0¼	+0⅝	11.96
Merrill Lynch 10⅝ 90	200	95⅛	95⅝	+0¼	+0⅜	11.68
Mitsubishi Fin 11⅜ 90	100	96	96½	+0¾	+0¾	12.21
Nippon Credit 11 90	100	94⅛	94⅝	+0⅛	+0⅛	12.31
Nippon Credit 11⅞ 90	100	98⅛	98⅝	+0½	+0½	12.22
Ontario Hydro 10¼ 90	250	93¾	94¼	+0⅜	+0⅜	11.62
Ontario Hydro 11¾ 90	200	100½	101	+0⅛	+0⅜	11.55
Pacific Gas & Elec 12 91	75	101⅝	102⅛	-0⅛	0	11.59
P.K. Banken 12 90 WW	75	97¼	97¾	+0¼	+0½	12.54
Prudential 10⅛ 93 WW	150	95⅝	96⅛	+0¼	+0½	10.84
Prudential 10⅛ 93 XW	150	90⅛	90⅝	+0⅛	+0¼	11.82
Quebec Hydro 11½ 92	100†	98	98½	0	+0¼	11.81
Sears O/S Fin 11½ 88	125	101¼	101¾	+0¼	+0¼	11.08
Sears O/S Fin 11⅝ 91	150	98⅝	99⅛	–	–	11.87
Sears O/S Fin 11⅝ 93	150	98½	99	+0¼	+0¼	11.82
Sth Cal Edison 10½ 90	75	95⅛	95⅝	+0⅛	+0⅛	11.55
Sumitomo Fin 10⅞ 90	100	93⅝	94⅛	+0⅛	+0⅛	12.28
Texaco Capital 10½ 93	200	94⅝	95⅛	-0⅜	+0⅜	11.38
Tokai Asia Ltd 12¼ 91	100	99½	100	–	–	12.30
U.B.S. 10 88	100	98⅜	98⅞	+0⅛	+0¼	10.38
World Bank 11¼ 88	100	99¼	99¾	+0⅜	+0½	11.35
World Bank 11¼ 90	200	96⅝	97⅛	+0⅜	+0⅜	11.92
World Bank 11½ 90	150	98⅛	98⅝	+0⅛	+0⅜	11.84
World Bank 12 93	200	100⅜	100⅞	+0¼	+0½	11.86

Av. price changes: on day +⅛, on week +¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amca Int'l 8¼ 91	100	98⅛	98⅝	+0⅜	+0¾	8.54
A.N.A.S. 8½ 91	150	98⅜	98⅞	-0⅛	+0½	8.77
Arab Banking Corp 8 88	100	96⅜	96⅞	0	+0⅛	8.98
Asian Dev Bk 8½ 93	200	100	100½	0	0	8.45
Austria, Rep 7⅝ 89	100	100⅝	101⅛	0	+0⅛	7.44
Avon Int Fin 7½ 93	100	100½	101	-0⅛	-0⅛	7.38
Barclays O/S 8⅛ 98	250	99⅞	100⅜	+0⅜	+1⅛	8.11
Beatrice Foods 7¾ 93	130	102½	103	0	0	7.33
E.C.S.C. 8 90	100	100⅝	101⅛	+0⅛	0	7.81
E.I.B. 8 93	200	98⅞	99⅜	-0¼	+0⅜	8.12
Eurofima 7½ 90	100	100⅞	101⅝	+0¼	+0⅜	7.24
Europarat 8⅛ 93	150	99⅞	100⅜	-0⅛	+0⅛	8.22
Finland Rep 8 90	150	100⅛	100⅝	0	+0⅜	7.92
I.A.D.B. 8¼ 93	150	97¾	98¼	+0⅛	+0¼	8.55
Int Standard Ele 7¾ 90	100	100¾	101½	+0⅛	+1	7.15
Int Standard Ele 7¾ 93	100	101⅜	101⅞	0	-0¼	7.49
Ireland 8⅝ 91	150	100⅜	100⅞	0	+0⅛	8.50
Japan Dev Bank 7½ 90	100	100⅝	101⅛	0	+0⅛	7.31
L.T.C.B. 8 90	100	101	101½	0	+0⅜	7.73
Megal Fin 8¼ 94	150	97⅛	97⅝	0	+0¼	8.65
Sth Africa Rep 8½ 91	200	99⅝	100⅛	0	+0⅜	8.52
S.N.C.F. 8⅛ 93	100	100¼	101	+0⅜	+0½	8.02
VEBA Int Fin 4 93 WW	300	130⅝	131⅛	+0⅜	+5¼	0.72
VEBA Int Fin 4 93 XW	300	77⅞	78⅜	0	+0¼	7.16
World Bank 7⅞ 89	300	100⅛	100⅝	0	0	7.77
World Bank 8 93	300	98¾	99¼	0	+0¼	8.15

Av. price changes: on day +⅛, on week +⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 7⅛ 91	57	77½	77¾	+0¾	+0¼	11.78
Bank of Tokyo 6 91	100	102½	103	+0½	0	5.64
Denmark 6⅜ 91	100	103	103¼	-0⅜	-0½	5.84
E.E.C. 6 93	100	100½	101	-0⅛	-0⅜	5.88
Elec Power Dev 5⅝ 93	100	100¼	100½	-0⅛	0	5.57
Europarat 6⅛ 93	100	100⅝	100⅞	+0⅜	+0⅞	6.02
Ind Fund Fin 6¼ 91	40*	101¾	102	+0⅜	+0½	5.93
Int-Am Dev Bk 6 93	100	100¼	100½	+0⅛	-0⅜	5.94
Ireland 6½ 93	80	102	102¼	+0⅛	+0⅜	6.20
Japan Dev Bank 5⅞ 93	100	102½	102¾	-0½	+0¾	5.51
Jap Highway Pub 5⅝ 91	100	100½	101	+0⅛	-0⅜	5.50
Kansai Ele Power 6 91	100	102	102½	+0⅛	-0⅜	5.61
Manitoba Prov 5½ 93	100	102¼	102½	+0⅛	0	5.18
Mont Blanc Tunl 6⅜ 93	35	103¼	103½	+0⅛	+0½	5.90
Mount Isa Finance 6 93	100	103	103¼	+0⅛	0	5.56
Mtg Bk Denmark 6¼ 91	80	101¾	102	0	0	5.93
New Brunswick 5¾ 93	100	102½	102¾	+0½	-0⅛	5.39
Nippon Tel & Tel 5¾ 93	100	102⅝	102⅞	+0⅛	-0⅜	5.38
Nisshin Steel 6¼ 91	100	101¾	102	+0½	+0⅜	5.93
Osterr Post 6⅛ 91	100	103	103½	+0⅛	-0¼	5.57
Quebec Province 5⅝ 93	100	100¾	101	-0¼	-0¼	5.50
Shikoku Elec Power 6 91	100	102¼	102¾	0	-0⅝	5.59
Soc Lux Cent 5¾ 93	100	99¾	100	+0¼	+0¼	5.77
Sumitomo Heavy Ind 6 91	100	101½	101¾	+0½	0	5.73
Tokyo Elec Power 5⅞ 91	100	103¼	103½	+0¼	+0¾	5.32
Trizec Corp 6⅛ 93	100	101¾	102	+0¼	+0¼	5.86

Av. price changes: on day +⅛, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	106⅞	107⅜	-0⅛	0¼	7.45
E.I.B. 8¼ 92	15	103½	104⅛	0	-0¼	7.00
Int-Am Dev Bk 7⅞ 93	15	102⅜	103⅛	+0⅛	0	7.46
New Zealand 7⅝ 89	15	103⅞	104⅜	+0⅛	-0⅜	6.88
World Bank 7⅝ 93	20	102½	103⅛	+0⅛	0	7.20

Av. price changes: on day +⅛, on week –⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 CS	125	97½	98	0	-0¼	12.20
Brit Col Tel 12¼ 98 CS	70†	98	98½	—	—	12.38
E.I.B. 12⅛ 91 CS	80†	97⅛	98⅛	-0⅛	-0⅜	12.55
Loblaw 12½ 90 CS	35†	98	98½	0	-0⅜	12.88
Montreal City of 12 90 CS	50†	98	98½	-0¼	-0⅛	12.37
Royal Trstco 12⅛ 88 CS	50†	101	101½	0	-0⅜	12.23
World Bank 12¼ 89 CS	75†	100⅞	101⅜	-0⅛	0	11.96
Compagnie Banc 11 90 ECU	37†	98¾	99¼	0	-0½	11.14
SOR France 11⅝ 95 ECU	20	100¼	100¾	+0⅛	+0¼	11.54
Algemene Bank 8¼ 88 Fl	150	102⅜	102⅞	0	-0½	8.02
Amro Bank 8¾ 88 Fl	100	102⅝	103⅛	+0⅛	-0⅛	7.88
Bank Mees & Hope 9 88 Fl	75	102¾	103¼	0	-0⅜	8.17
Ned Middenstandbk 9 88 Fl	100	102¼	102¾	-0⅛	-0¼	8.32
Rabobank 9 88 Fl	100	102¼	102¾	-0⅜	-0⅞	8.34
World Bank 9 88 Fl	100	102⅝	103⅛	+0⅛	0	8.20
O.K.B. 14 86 FF	400	101	102	-0¼	-0¼	13.09
Solvay & Cie 14¾ 86 FF	200	102⅛	103⅛	-0⅛	-0⅛	13.19
B.F.C.E. 11½ 88 £	50	100	100⅝	0	+0¼	11.35
British Oxyg 11¾ 91 £	50	100⅝	101⅜	+0⅛	+0⅛	11.51
CEPME 11⅛ 95 £	95†	104⅝	105⅜	+0¼	+0⅜	10.42
CIBA-Geigy Int 6¾ 93 £	25	102	103	+0⅜	-0⅜	6.39
Commerzbank 11½ 90 £	25	98½	99¼	+0⅛	+0⅜	11.73
E.E.C. 11⅞ 93 £	50	100⅞	101⅝	0	+0¼	11.63
Fin For Ind 10½ 90 £	20	95¼	96⅛	-0⅛	+0¼	11.48
Finland Rep 11⅞ 88 £	50	101⅝	102⅜	+0⅛	+0⅛	11.25
Gen Elec Co 12½ 89 £	50	101⅛	101⅞	0	-2⅜	12.08
I.I.I. 10¾ 93 £	25	95⅜	96⅛	-0⅛	+0¼	11.40
I.I.I. 11½ 91 WW £	50†	99¾	100¾	-0½	0	11.43
Int Stand Ele 11⅛ 89 £	50†	98	98¾	—	—	11.57
Norsk Hydro 12 90 £	30	102⅞	103⅝	0	+1½	11.23
Sweden 11¾ 93 £	50	97¾	98½	0	0	11.56
Swed Exp Cred 11¼ 88 £	30	99⅛	99⅞	0	+0⅛	11.38
World Bank 11⅛ 88 £	100	99½	100¼	+0⅛	+0⅜	11.12
Eurofima 10 91 LuxFr	600	99	100	0	-0½	10.06
Europarat 10¾ 93 LuxFr	600	99⅞	100⅞	0	-0⅛	10.67

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish Bk 5¼ 95	0⅛	98⅝	98⅞	8/6	10.31	10.44
Banco di Roma 5¼ 98	0¼	99⅞	100⅛	7/6	10½	10.50
Belgium 5 2004	0⅛	99½	99¾	9/7	10.31	10.35
Bk of New Yk 5¼ 96 §	0⅛	99⅝	99⅞	12/4	10.06	10.08
C.C.F. 5¼ 95	0¼	100	100¼	7/4	9.94	9.93
C.C.F. 5⅛ 98 §	0⅛	100	100¼	24/3	10.19	10.17
Credit Foncier 5¼ 93	0¼	99⅞	100⅛	6/4	10	10.00
Credit Lyonnais 5¼ 96	0⅛	99⅝	99⅞	18/7	10.19	10.21
Denmark 5¼ 90	3/16	99⅞	100⅛	13/4	10	10.00
Die Erste Ost 5¼ 92	0⅛	99⅝	99⅞	27/7	5¼	5.28
Dresdner Fin 5¼ 93 XW §	0¼	100	100¼	19/4	9.94	9.93
EAB Fin 5 93 §	0¼	100⅛	100⅜	20/6	10.69	10.66
E.E.C. 5 90	0⅛	100⅛	100⅜	5/7	10⅜	10.35
Ext Int 5⅛ 98†	0¼	98⅝	98⅞	21/6	10.81	10.95
Fst Interstate 5¼ 95 §	0⅛	99⅝	99⅞	6/3	9.94	9.98
Fuji Int'l 5¼ 96 §	0⅛	99¾	100	12/7	10¼	10.26
Genfinance 5 94	0⅛	99¾	100	19/7	10⅛	10.14
GZB 5¼ 96	0⅛	99½	99¾	25/5	10.19	10.23
Hispano 5⅛ 95	0¼	98½	98¾	20/4	10	10.15
Nat Bk Canada 5⅛ 91 § †	0⅛†	99⅞	100⅛	5/7	10.44	10.44
Quebec Hydro 5⅛ 94	0⅛	99¾	100	19/7	10⅛	10.14
Saitama Int 5¼ 93	0⅛	100	100¼	5/5	10.19	10.18
Soc Generale 5¼ 90 XW	0¼	100	100¼	9/5	10.31	10.30
Sweden 5¼ 2003 §	0⅛	99⅞	100⅛	17/5	10.19	10.19

Av. price changes: on day 0, on week +⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
BBC Brown Boveri 4¼ 95	2/84†	100	101⅞	102⅜	+2½	-4.82
Bridgestone Tire 5½ 96	3/82	470	131¼	133½	-1	2.12
Canon 7 97	7/82	680.2	245¼	247¼	+1⅜	1.70
Daiwa Sec Co 5½ 98	10/83†	481.8	105½	107	-0½	8.78
Fanuc 3¾ 98	1/84	8142	138¼	139¼	+3¾	15.94
Hitachi Cable 5⅛ 98	2/82	515	125	126½	+0⅜	-1.50
Honda Motor 5¼ 98	6/83	884	128¼	129½	-0⅜	1.22
Honda Motor 5½ 97	3/83	759.6	146⅝	148⅛	-1⅜	-0.81
Konishiroku Photo 4 98	10/83	673	111⅞	112⅞	+0¾	4.24
Kyowa Hakko 6¼ 97	2/83	782	124⅜	125⅜	+4¼	11.50
Minebea Co Ltd. 5½ 98	5/83	667	115⅜	116¾	+2½	4.85
Mitsubishi Electric 5¼ 98	6/83	396	110⅝	111⅝	+0⅜	0.81
Mitsubishi Heavy 4⅜ 98	1/84	253	103	104	-0⅜	3.60
Murata 3½ 99	2/84	2938	119⅜	120⅜	—	8.44
Nippon Oil Co 5½ 98	4/83	984	110⅝	111⅝	-0¼	8.81
Nissan Motor 5¾ 98	4/83	700	110⅝	111⅝	+1¾	3.61
Olympus Optical 6⅛ 97	12/82	1157	117¼	118⅝	0	13.28
Orient Leasing 5¼ 98	8/83	2680	101⅝	102⅝	+0⅜	4.18
Secom 5 98	11/83	2820	169⅝	171½	+4⅝	2.87
Yamaichi Sec Co 5 98	8/83	449.5	104⅜	106¼	0¼	1.27
Yamanouchi Pharm'cal 4 90	10/83	1888	103	104	+0⅜	31.78
Bridge Oil 4¾ 93 SF	3/84	3.43	110¼	112¾	+1	20.78
Nippon Airway 2⅜ 94 SF	2/84†	354	102	104	—	-8.21
Toshiba 2¾ 94 SF	1/84†	391	114¼	116⅛	+1⅜	1.65
Asics 5 92 DM	12/83	520	116⅝	117⅝	-0⅛	17.50
Sum Realty 6¼ 92 DM	2/83	365	137½	138½	-0⅛	-4.98

* No information available–previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

FINANCIAL TIMES SURVEY

Tuesday January 31, 1984

DRAX Power Station

Phase two, costing £1bn, is being built within budget. With phase one, it will provide the biggest coal-fired station in Europe by 1986. The CEGB's tough management has brought results which are widely admired

By NICK GARNETT

THE FIRST generating unit in the £1bn second phase of the Drax Power Station construction project was recently synchronised with the national power grid—a significant demonstration by the Central Electricity Generating Board, the construction industry and its unions that they could build to time, and within budget.

If the third and final unit is completed on schedule in two years' time, they will have secured a build performance for a power station which could not be attained 10 years ago.

The 2,000 Megawatts of the second phase of Drax, whose construction began in 1978, will complement the similar generating capacity of the first phase of Drax, completed 10 years ago, providing the generating board with the biggest coal-fired station in Western Europe.

The second phase of Drax has been built so far to time and cost as a result of a construction programme free of the stoppages, delays and cost overruns which characterised much of power station building and other large project construction in the 1970s.

The basis of this has been a much tougher attitude towards control of the project by the CEGB as client-owner. It has insisted in negotiations on a return to lump sum in place of cost reimbursable contracts, on the introduction of a structure for harmonising pay and conditions, and on double day shift working. On top of this the 1981 national agreement for the mechanical engineering sector has created a new framework within which major developments can take place.

Some engineers say the build performance has been as good as that achieved anywhere in Europe, but it remains to be seen whether this represents a decisive and permanent leap forward in the industry's ability to undertake major projects or, possibly, only the temporary influence exerted by recession on trade union power.

Complicated

It also raises the question whether the factors which have contributed to the performance at Drax can be translated to the construction of the Sizewell B nuclear pressurised water reactor station, the public inquiry into which is now in its second year.

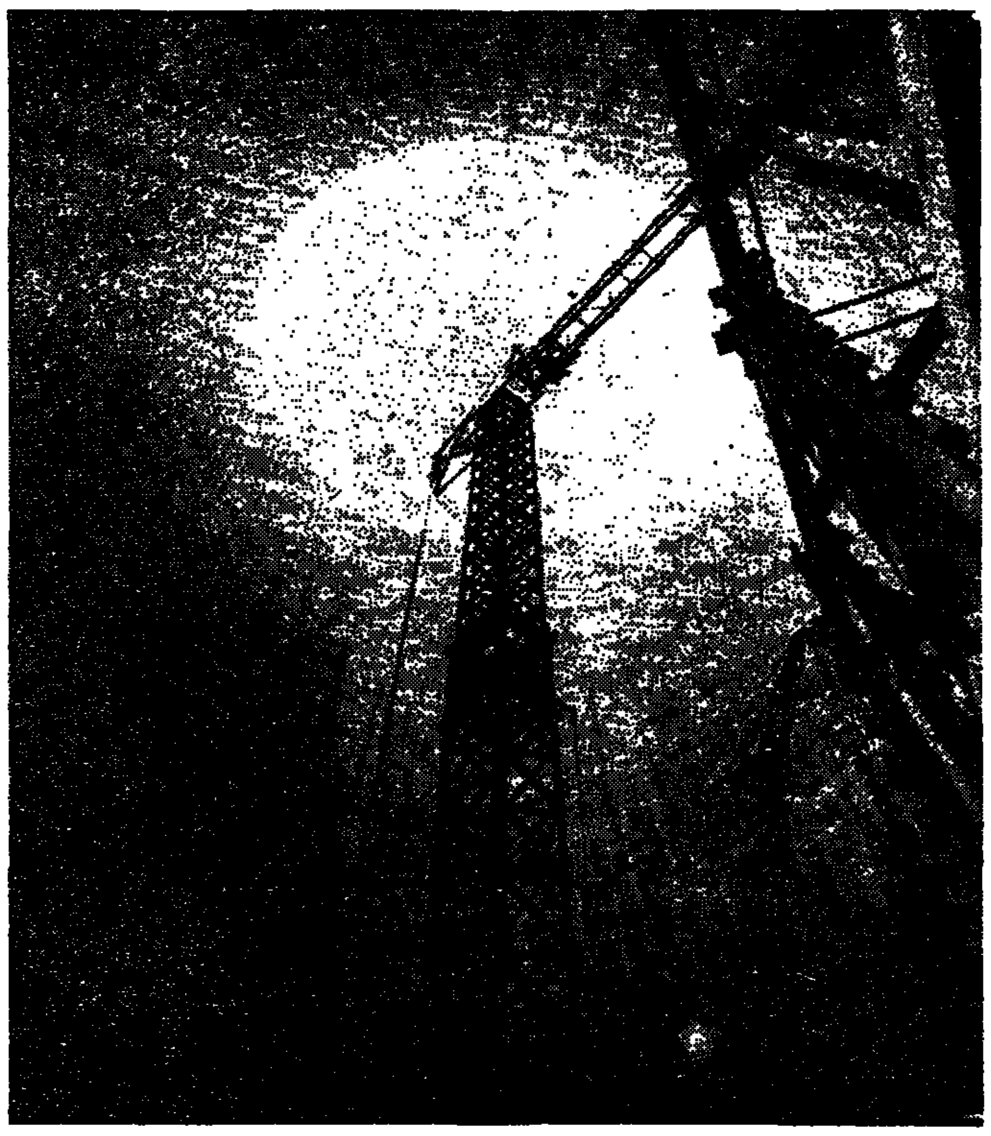
Project management for that power station, if it is given the go-ahead could be a more complicated and controversial issue, and has yet to be agreed by the Government. The generating board and the National Nuclear Corporation, however, have come to an agreement on broad aspects of project management. The board says many of the features and lessons learnt at Drax and at the Heysham Two nuclear station — where many of the Drax-style control tools are also in use—could be a management model for Sizewell.

The second phase of Drax began in controversy. Drax A was started in 1966 and completed just as the first oil shock of the early 1970s was causing major downward revision of energy demand. This resulted in a generating board decision not to contemplate building a new station until the end of the decade.

The Labour Government of Mr James Callaghan was under pressure, however, to throw a lifeline to the UK's hard-pressed plant manufacturing industry, particularly in the north-east and Scotland. Eventually, the generating board was persuaded by the then Energy Secretary, Mr Tony Benn, to go ahead with the second phase of Drax, at least 18 months early, in return for which the Government paid the board £50m compensation for additional interest charges incurred in bringing the project forward.

In terms of energy demand the second phase of Drax is still not needed. The CEGB's total generating capacity is 54.8 Gigawatts (54,800 Megawatts) as against the maximum simultaneous demand last year of 42 Gigawatts. Much of the board's very expensive to run oil-fired capacity is used solely for topping up the system.

The board says, though, that Drax, which alone will be able to meet almost 10 per cent of national demand, when completed, is an important element in its ability to shut down much less cost effective capacity.



ONE OF THE HUGE COOLING TOWERS NEARS COMPLETION

The thermal efficiency of both parts of Drax together will be about 37.5 per cent which compares with a level of only 29 per cent achieved by some of the worst stations. The last three of Drax's six generating units will save around £55m a year in generating costs when compared with the least efficient stations, according to the CEGB.

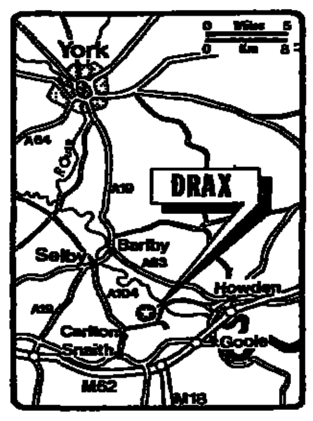
Prime centre

When completed, the Drax twins will consume 10m tonnes of coal a year, which, at current costs, is worth £410m to the National Coal Board. The second phase is also utilising a construction workforce of 3,000, two-thirds of whom live permanently in the Yorkshire-Humberside area, Britain's prime centre of power generation accounting for one-fifth of electricity output. The whole of Drax, which has a common control room (though the two plants can be run separately) will employ 1,100 to operate it. And, as with all such projects, Drax final phase is a shop-window for British contractors.

This is now even more the case because the generating board, the unions and the contractors can point to it as a powerful achievement so far in cooperation and productivity.

Between the project start in 1978 and November last year, just 1.34 per cent of man hours were lost as a result of disputes, many of them from the TUC day of action.

It has also taken just 54 months to complete the first of the three 660 Mw units in Drax phase two. Drax A, whose problems included a nine-month strike, took 80 months to cover the same ground and the build performance for some other stations has been 70 to 80 months. The final phase of Drax has returned build performance to that being achieved in the 1960s.



Editorial production: Michael Strutt

Pictures by Hugh Routledge

The delays and cost over-runs which plagued much of power station and other big project construction during the 1970s were due to a lack of management control and a whole series of union-management and inter-union rows. These achieved their most public notoriety during the Isle of Grain laggers' dispute but similar friction has been virtually absent during Drax.

Source

It has, nevertheless, suffered problems. It endured an eight-week strike during foundation works. A change in the source of coal, bringing in supplies with a much greater ash content than was planned for, resulted in late design alterations to hoppers. These and other difficulties caused the project to fall 26 weeks behind schedule at one point but that was clawed back.

Project management has also been assisted by the generating board's decision to duplicate Drax A as far as possible. This could not be fully achieved, partly because of plant measurement changes resulting from metrication and alterations in plant design since Drax A was built.

Project management control tools and labour relations are the two most important features of Drax construction. The structure devised within the CEGB followed the findings of a business Round Table study into the U.S. construction industry which has also suffered severe problems.

The structure is encapsulated in a report by Mr Denis Lomer, former executive board member of the CEGB, and entitled, "Will Drax give back to the construction industry its credibility on large projects?"

Mr John Baldwin, general secretary of the construction section of the Amalgamated Union of Engineering Workers, and a main backer of the 1981 national agreement for mechanical engineering, has no doubts. "We've drastically changed the industry around." Others in the trade union movement are more doubtful. Mr George Henderson, natonal construction secretary of the Transport and General Workers Union, believes that many of the positive changes in the industry will not be permanent.

For the generating board's construction division, Mr John Collier, its director-general, argues that the performance at Drax and Heysham Two will stand the board and the construction industry in good stead when the recession ends. He hopes orderly labour relations will be maintained.

CONTENTS

DRAX II

Construction has proceeded smoothly thanks to close monitoring by the CEGB

Builders meet time and cost targets

UNDERPINNING THE construction of the second phase of Drax is a return to traditional lump sum supply and erection contracts—as also used in Drax Phase I — in place of the cost-reimbursable contract which became prevalent in the 1970s and which contributed to the disastrous construction performance of the Isle of Grain and Ince power stations.

Reimbursable contracts, recommended in the Wilson Committee and Large Sites reports of 1969-70, effectively heap all the risk on the owner-client, and remove incentives from contractors and the workforce to keep the project to programme.

The paper written by Mr Denis Lomer, former CEGB board member, setting out the structure on which construction organisation has been arranged, makes it clear that problems of cost-reimbursable contracts are severely aggravated when the client is reluctant to exercise a strong role with contractors and through them their workforces.

This is particularly so during periods of high inflation, rocketing wage demands and growing shop steward power.

None of the 11 main supply and erect contracts and 30 other principal contracts for the second phase of Drax was cost-reimbursable. They were all lump sum contracts with price adjustment mechanisms or fixed price for short contracts.

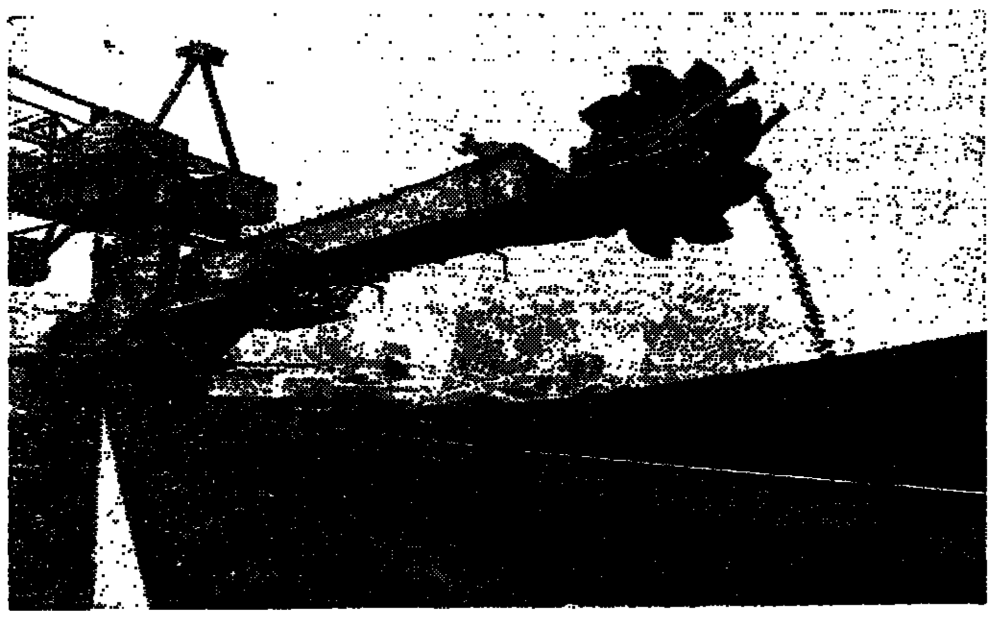
Within this framework, **Design Phase Contracts** have been used. One of the biggest drags on construction performance is plant design changes during manufacture and erection. Design phase contracts which run for 18 months and are largely used on boiler and turbine work, require contractors to do virtually all design work before manufacture.

They must also provide a range of information during the design phase which is needed by the board and other contractors to undertake design of buildings and other equipment. Such information includes size, weight and shape of equipment, dynamic forces on the foundations and the permanent water and electricity requirements to drive plant.

THE MOST pronounced achievement in the construction of the second phase of Drax is that so far it has been built to time and cost. A whole series of factors have contributed, based on the CEGB's working relationships with contractors and the organisational system used to control them and tight local and national working agreements with the unions.

These have been geared to producing optimum performance from companies involved in the Drax construction, stable industrial relations and efficient patterns of working. Underlying all this has been the difficult economic climate and the background pressure of massive unemployment among construction workers which has weakened union power and dampened militancy.

Many of these features are interlinked, but it is possible to isolate these factors which apply directly to the generating board's dealings with contractors and between contractors themselves and those which relate to the role of unions and the workforce.



This mammoth coal-handling machine is in keeping with the size of the project

In this respect, of course, the second phase of Drax has been greatly assisted by following on from the first phase which uses very similar design and equipment. Before all this, however, the Generating Board carried out what is called a vendor assessment much deeper than it has done for previous construction projects.

This involves the visits of Generating Board employees to potential contractors to carry out a capability audit before they are included on tender lists. The assessment looks at such factors as a company's finances, managerial competence, quality and design record and manufacturing capacity. Mr Jack Elston, the Drax manager, says the assessment also includes labour relations of prospective tenderers, their strike record and when their next wage agreement is due.

After the design phase contracts were completed, the generation development and construction division produced a status report. This was reviewed with full-time members of the CEGB board to assess risks to programme and budget.

Apart from monthly reviews by division directors, and further reports every three months, a very detailed status report is prepared every year and discussed with the CEGB executive. These reports, drawn up by Mr Elston, cover such issues as failures and successes, the placing of contracts and the future programme. Any identified risks to the programme are linked to action proposed or being undertaken to minimise that risk.

A crucial element has been key date procedures which were not used during Phase I of Drax. "The introduction of the key date procedure gave us a degree of control over the contractors' activities at works and site which we had never enjoyed before," says Mr Elston.

The usual method of penalising construction delays is the application of damages for delayed completion. The problem with this is that it is restricted to the end of a contract. The Generating Board therefore examined ways of making "penalties," or the threat of them, effective during all stages of a contract, including plant manufacturing.

As a result, a key date procedure has been applied on major plant contracts. At regular intervals, usually every six months or so, the generating board and each contractor review how much work that contractor has achieved as against its target.

Stage payment

The contractor gets paid only for the work it has done but the Generating Board has also the right to withhold a stage payment—that is the monthly payment due at that time—until the contractor gets back on programme if it has slipped behind. The contractor gets paid in the end but the penalty is that its cash flow is hit.

Because senior contractor management becomes aware of unsatisfactory progress through cash flow problems caused by the withholding of payments, remedial measures can be taken by contractors when they are most effective.

Work on build programmes is very detailed. A good example is boiler construction and installation. This, as with most other build programmes is reflected in an "S" curve progression rate, with boiler construction divided into packages of work which are divided into further sub-packages.

The work programme is agreed between contractor and the CEGB and fed into a computer. This is then used to calculate—to three decimal places—the actual rate of completion.

Nick Garnett

The workforce has proved highly co-operative

High productivity score

THE SECOND phase of Drax has demonstrated remarkably good labour relations and shift patterns which have broken new ground for power station construction. The civil engineering operation suffered a two-month strike in 1979, sparked by the shop steward credentials of one man, but overall the hours lost through labour disputes have been very small. Last year, for example, they totalled less than 1 per cent of hours worked.

The CEGB's construction division has begun to detect faint signs of the labour rumblings which frequently occur towards the end of a building programme but says it is determined to keep the lid on them.

Three principal factors have contributed to this unusually high productivity record. These are double day-shift working among the mechanical and electrical trades; the use of what are termed the Management Group, the Study Group and the much more familiar Project Joint Council (PJC); and the 1981 national agreement for the engineering construction industry.

Underlying all this however has been the willingness of unions and their representatives, the contractors and the CEGB to spend a great deal of time on the labour relations groundwork for the entire Drax project. "At every level people are relating to each other," says Mr George Henderson, Transport and General Workers Union national secretary for construction. "The general feeling is that they are all part of a team."

The generating board initially did not envisage the use of double day-shifts for the mechanical and the electrical trades in the run-up to phase two of Drax, but quickly came to the conclusion that they could and should be introduced. This was never attempted with the civil engineering trades partly because the benefits would be less with such a group though it is doubtful whether agreement could have been reached in any case.

The problem with normal Monday to Friday and then Sunday working with overtime is that it is expensive on overtime payments, that overtime is too tiring for individuals who have already put in a 39-hour week or eight-hour day and that high absenteeism is a feature of Sunday working. Double day-shifts means faster construction.

Twin lure

It took six months of negotiations with the mechanical trades, the twin lure being more jobs than under the normal overtime system and a shift premium. It adds about 500 extra workers to the labour force but total manhours worked are about the same as under the traditional system using overtime.

The mechanical trade shifts are 6 am to 2.30 pm five days a week and 3 pm to midnight, four nights a week, with people changing shifts every two weeks. The shift premium is 20 per cent of the basic rate for morning shifts and 30 per cent for the evening shift.

Of the mechanical sector, 87 per cent of the workforce work shifts and 64 per cent of the electrical trades. A very small percentage of the civil engineering work is done in shifts, giving a total of 68 per cent of all employees on site doing shift work.

One of the most crucial tools for controlling Drax construction has been the **Management Group**. This is almost like a federal body made up of representatives of all the main contractors and employers' Federations with Mr Ron Burbridge, director of projects for the CEGB's construction division, acting as chairman Mr Elston refers to the role of the generating board in this grouping as that of a "benign dictator."

The Management Group sets up the policies and procedures which are geared to harmonising site employment, conditions and pay, enabling contractors from different industrial sectors to manage their own labour forces in a compatible manner.

All site contractors are required to participate in the group, the small contractors having their role represented by Mr Elston, Mr Maurice Brunton, the site manager, presents overall site reports to the group meeting, and once a collective decision has been taken, all contractors must abide by it.

By making common employment policies, the main aims of the group are to remove friction between trades and the separate workforces, prevent pay leapfrogging, and secure acceptable productivity. One result is that skilled workers in different groups earn within plus or minus 10 per cent of about £200 a week.

The group effectively lays down rates of pay, once the framework has been agreed with the unions, common working rules and dispute procedures. Every month it monitors total earnings, bonuses and overtime, and whether payments are being made for correct reasons. Employment changes contemplated by contractors and every dispute and proposals for settlement come before the group which can administer a severe rap on the knuckles though no financial penalty.

A working group goes through contractors' employment conditions with a fine tooth comb. "We are trying to avoid disaffection," says Mr Elston. Among the items included in employment harmonisation are pay, travel, the use of special clothing and timing of tea breaks.

Examples of the problems dealt with by the group included a tank erection company which was proposing a payment unacceptable to the group, companies outside the engineering employers federation whose bonus payments needed bringing into line and a coating company which was required to readjust its working practices.

Mr Neville Simms, a director of Tarmac Construction, says the group works well despite the odd burst of irritation on the part of some contractors. "People have accepted the responsibility for making it work."

The role of the management group dovetails into the **National Agreement for the Engineering Construction Industry** which overtook a site agreement which the CEGB had been working on. The National agreement, designed to rectify many of the problems which have beleaguered construction in the UK, sets out guidelines for earnings based on a cost factor and incentive table, and the basis for disciplinary procedures.

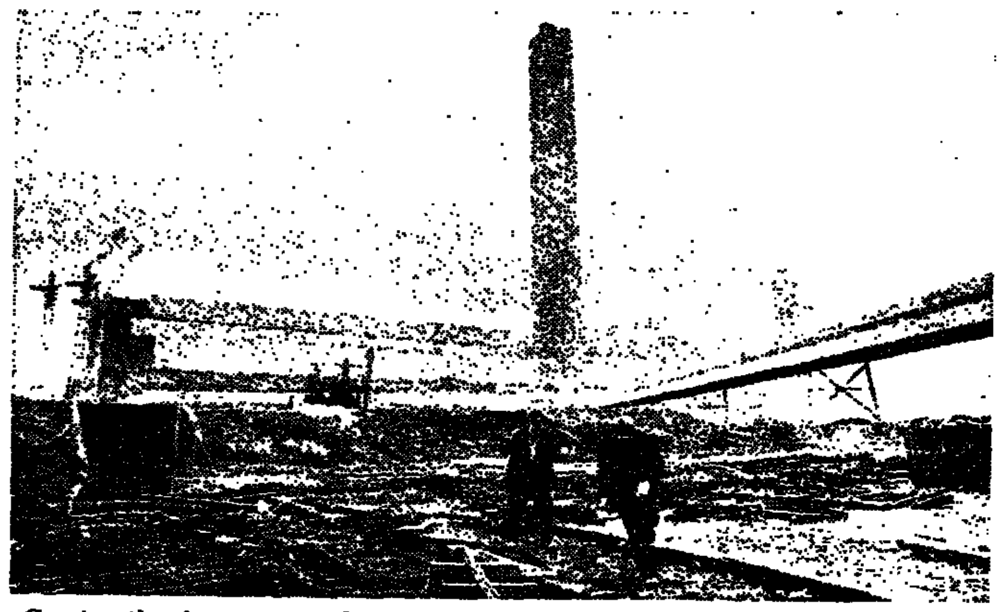
A **Study Group**, made up of contractors and national and local trade union representatives meeting every six months, is another unusual feature of Drax. This group reviews bonus schemes, demarcation and other problems and their possible solutions.

At the same time, Drax, as with other multi-contractor projects, has a **Project Joint Council** (PJC) which applies national agreements and arranges a Supplementary Project Agreement. The PJC is made up of equal numbers of management representatives and union officials with shop stewards.

N. G.

Drax will meet a tenth of the power needs of England and Wales

Energy mainstay for years to come



Construction in progress: the project's second phase is currently priced at £1bn

SUCCESSFUL completion of the first stage of Drax B — fourth of the six 660 MW units of the entire Drax complex — "provides real life support" for the campaign to build Britain's first pressurised water reactor (PWR) at Sizewell, Suffolk, according to a top CEGB official.

This reaction typifies the uneasy balance between the nuclear and non-nuclear parts of the electricity industry and is a reminder of the difficulty encountered by Mr Tony Benn when, as Energy Secretary in 1977, he forced the CEGB to start building the second part of the giant plant at Drax.

In spite of the controversy at that time, and doubts about whether without Mr Benn's forceful prompting, the Drax completion would ever have been launched, the electricity industry itself does not regard nuclear power as a full-scale replacement for coal.

In the wake of the energy crises of the 1970s, it was recognised that oil was too costly as a basic fuel for generating electricity and that thanks to Britain's coal deposits coal would remain the dominant fuel for the nation's power stations, with nuclear plants being added to ensure flexibility, reliability and economic pricing in the 1990s and beyond.

The interdependence between coal and power has been compared by a senior CEGB director to that between eggs and bacon. In 1982-83, more than 82 per cent of electricity in England and Wales was produced from coal, with the CEGB purchasing 79m tonnes, two-thirds of the National Coal Board's output.

Little more than 14 per cent of electricity in that year came from nine nuclear power stations.

Prices

According to John Baker, CEGB Board member in charge of public affairs, NCB coal accounts for nearly 35 per cent of the cost of a unit of electricity to the final user, of which half goes into miners' wages. Every 6 per cent rise in miners' pay, he adds, raises electricity prices by 1 per cent.

The CEGB's payments for coal — calculated at £90 a second — represent nearly three-quarters of its total fuel costs and 43 per cent of its overall costs.

These figures are frequently quoted by the CEGB in support of its annual bargaining with the Coal Board about prices and the structure of their supply arrangement.

The CEGB continually points out that for power stations on the Thames Estuary and the coast, it would be considerably cheaper to use imported, instead of home-produced coal. It also notes that since large costly power stations such as Drax have been deliberately sited close to large inland coalfields, it should not have to pay prices which help to subsidise less efficient pits kept open for "social" reasons.

But in spite of these strains between the two State-owned industries, the CEGB has no illusions about its future reliance on coal, whatever the course of Britain's economic development or whatever the result of its quest to build PWR nuclear plants.

The CEGB has a number of diverging forecasts about its requirements at the end of the century. It claims to have greatest faith in the calculation that at 70m tonnes a year, its coal burn in the year 2000 will not be all that different from today's consumption. But even its most pessimistic assumption about growth in electricity demand, entailing the burning of 60m tonnes of coal annually in power stations, would still ensure that the CEGB remained the Western world's biggest coal user.

But whatever scenario turns out to be most reliable, Drax power station should still stand out as one of the mainstays of the whole generating system at the beginning of the next century.

Remarkable both for its size and its expected efficiency, the completed 4,000 MW plant will be able to produce more than a tenth of all the electricity used in England and Wales. It is one of four coal-fired plants which the Board calls the Aire Valley stations.

The others, with a combined capacity of 5,000 MW, are Eggborough, Ferrybridge and Thorpe Marsh.

CEGB officials in the North East region offices at Harrogate note proudly that on some days in the year such as August Bank Holidays, Drax and the rest of the Aire Valley group could supply nearly all the power used in England and Wales.

The commissioning of the complete Drax station, they add, should reduce the costs of the whole CEGB system by about 1 per cent, currently worth about £55m a year, if the station is run continuously instead of older, less-efficient stations.

Together with a similar 1 per cent savings from new nuclear plants, such as Hartlepool and Heysham, this would help to contain the cost of electricity, and even reduce it. Drax A is currently the CEGB's second most efficient coal-fired plant (after Rugeley in the Midlands). On completion, it is likely to take first place in the efficiency league table.

Drax is also remarkable for the quantity of coal it will use. Already consuming 5m tonnes a year, the complete station will burn double that amount, equivalent to the yearly output of the new Selby super-pit being developed by the National Coal Board a few miles to the north across the River Ouse.

Worth more than £400m at current prices, and roughly equal to the wages of 60,000 Yorkshire miners, this represents one-seventh of the CEGB's entire coal-burn, ensuring that the Board's north-east region overtakes the Midlands power stations as the largest user of British coal.

British Rail will deliver the coal to Drax on 1,000 tonne "merry go round" trains, which will unload there at the rate of 37 a day. This service will cost the CEGB about £100m a year.

The trains will bring coal from several pits in the North East, thus helping to ensure miners' jobs in several locations. However, some CEGB officials are toying with the idea of concentrating all the Selby coal at Drax, making it one of the few large single coal-field plants in the world and further enhancing its efficiency.

Even without this additional benefit, however, Drax already stands at what Robert Weekes, the CEGB's north east regional director, calls "the very limit of the state of the art" of building coal-fired power stations.

Drax's high performance reflects the steady improvement in the efficiency of oil as well as coal-fired stations. Since 1947, the thermal efficiency of fossil-fired plants as a whole has improved by more than half.

Maurice Samuelson

CHRONOLOGY OF DRAX POWER STATION

1962	CEGB development plan includes a "Yorkshire Power Station," intended to be a 1,500 MW site with three 500 MW sets to be commissioned between 1969 and 1970.
1964	Drax, on south bank of the River Ouse, identified as the site to contain three 600 MW units.
1966	New development plan decides on the UK's first three 660 MW coal-fired units, to be commissioned between 1971 and 1973. Work autherised on site with space for six 660 MW units and six auxiliary 35 MW gas turbines.
1967	Work begins on first three 660 MW units, the so-called Drax A.
1973	First two units synchronised with the grid.
1974	Third unit synchronised. Drax A becomes operational.
1977	Tony Benn, Energy Secretary, authorises start on second half of Drax power station, 18 months earlier than originally intended.
1981	Gas turbines synchronised, two months ahead of programme.
1983	(December) Drax's fourth 660 MW unit—the first part of the Drax Completion—supplies first electricity to grid.
1984	Unit four to be fully commissioned. Units five and six to follow in 1985 and 1986.

Big names resound among the legion of contractors

ONE OF THE Government's main reasons in June 1977 for ordering the completion of Drax power station was to provide much-needed business for Britain's faltering generating plant manufacturers, based largely in the North East.

It was a prescient move considering the then unforeseeable depths to which the economic recession was to sink in the ensuing seven years.

The 120 main contracts have been providing work for companies as far apart as Renfrew in Scotland, Farnborough in Southern England, Norfolk in East Anglia, in addition to scores of companies in the industrial centres of England.

Together with their associated subcontractors, up to 1,000 companies are thought to have been involved at various stages.

The project was valued at £688m at the tender date in early 1978 (and is currently priced at about £1bn). Its biggest elements are the boilers, the civil engineering work, the turbine generators and the electrical installations.

On the basis of the original costs, the boilers were worth £200m, the civil engineering £135m, the turbines £130m, and the electrical contracts about £50m. There was also £54m worth of miscellaneous work, as well as engineering charges assessed at 3.5 per cent of the total.

On the hardware side, the contractors are led by NEI Parsons of Newcastle (the three 660 MW turbines and generators) and Babcock Power (the three boilers).

Other members of the NEI group are responsible for building other parts of the plant, including chlorination and nitrogen storage, the extension of the water treatment, control and instrumentation, switchgear, transformers and structural steelwork.

Gas turbines

Besides designing and constructing the boilers, the Babcock group is also associated with the plant for handling ash and dust, while parts of the General Electric Company (GEC) are installing three auxiliary 35 MW gas turbines and generators and associated plant and coal handling gear.

A particularly sensitive part of the boilers are the feed pumps, developed by Weir Pumps of Glasgow. Their function is to supply water at very high temperature and pressure to the boilers raising steam for the turbines. The pumps are designed to run for five years between major overhauls.

The main civil engineering work is in the hands of Tarmac (building the main foundations) and Sir Alfred MacAlpine (the superstructure), while almost 40,000 tonnes of structural steelwork has been erected by Arrol/Findlay (a consortium of Sir William Arrol, part of NEI, and Alexander Findlay, of Motherwell).

The six cooling towers are being built by MacAlpine in consortium with the Bierrum Group. The former is building the foundations and the latter, a specialist in tall structures, is erecting the towers.

Some 30,000 cables, with a total length of more than 1,500 miles, are being laid by N. G. Bailey of Bradford.

The high-pressure pipes are being laid by Aiton of Derby, part of the Whessoe Group.

The difficulties, and the ways they were surmounted, are graphically illustrated on the series of large charts used by Jack Elston, the CEGB's manager of the project.

They show much of the work starting late, but with the lines on the graphs converging to show how the contractors have sought to win back lost time.

The troubles started at the outset with an eight-week closure because of an industrial dispute over the credentials of one of Tarmac's shop stewards.

Other problems involved at the foundations stage were the need to re-design the large ash-pits behind the boiler house on discovering that the coal to be used at Drax had a 40 per cent higher ash content than previously supposed. Delays were also caused by the difficulties of mating the new foundations with those of the first half of the power station, completed several years earlier.

Tarmac, together with MacAlpine, also had to comply with one of the most unusual specifications required by the CEGB. This was for the use of "cold" concrete like that developed in major contracts in the Middle East.

The method, designed to prevent thermal shrinkage, involves putting ice-cold water into the cement.

Despite the success of this innovation the earlier delays encountered by Tarmac meant that its part of the work was completed 26 weeks late. From this point on, other contractors had to perform like relay runners trying furiously to catch up.

Arrol Findlay, with 38,000 tonnes of structural steel to erect, was to have begun work on March 1 1980, and to have finished it on February 1 1983.

However, it did not gain full access until 20 weeks after its official starting date. In 1981, it had what Elston calls "a good year" and caught up seven weeks by the time the drum was hoisted into the first boiler.

Then came the harsh winter of 1981-82 which meant that no steel could be put up for six weeks. After further acceleration in 1982 work was again interrupted—by heavy rains. The end result, nevertheless, was that over three years, the contractors cut the delay from 26 weeks to ten.

M. S.

DRAX IV

Twenty-acre glasshouse provides nearly 1 per cent of the country's tomato needs

Surplus heat used to produce food

ONE OF the more unusual aspects of Drax is that reject heat from the station is used in the production of food. A joint CEGB-Express Dairy venture operates a 20-acre glasshouse producing almost 1 per cent of the tomatoes eaten in the UK.

A short distance away, RHM Aquacultural Developments, part of Ranks Hovis McDougall but with 25 per cent involvement from the CEGB, runs what is claimed to be the largest intensive eel farm in Europe.

Though this latter venture has struggled with some technical difficulties and is operating below expected capacity, it has now just about reached trading break-even.

The CEGB carried out a series of trials at the Eggborough power station between 1975 and 1978 to test the use of waste heat from cooling water for horticultural crop production.

The generating board and Express Dairy, which had also been investigating energy conversion, initially invested £250,000 in 1978 for a pilot horticultural scheme at Drax and a year later a joint company, Exel Produce was set up, Express Dairy taking 51 per cent and the generating board 49 per cent. Express Dairy also purchased a 105-acre farm adjacent to Drax in anticipation of the trial's success.

Exel now incorporates a massive 20-acre glass house, claimed to be the second largest in Europe, producing 2,300 tons of tomatoes a year, as part of the £3m joint venture.

The heating system uses condenser cooling water from the power station which is drawn off before it reaches the cooling towers and pumped to the glasshouse through 48-inch diameter underground pipes which at peak take a daily flow of 20m gallons. The water, after passing through heat exchangers where the heat is extracted as warm air, is then returned to the cooling towers.

The company calculates that a conventional 20-acre oil-heated glasshouse in the UK would require just under 1m gallons of fuel oil per year, costing £400,000 at 1981 prices. The Exel glasshouse costs about half of that to run.

Flow

The heat exchangers are computer-controlled to maintain air temperature in the glasshouse's separate sections. This is done by the phased operation of the pumps and fans which regulate the flow of condenser cooling water and air distribution. There is a central computer controlling dosage of the growing medium, acidity, environment and other factors using a software package specially specified by Exel.

Employment varies between 35 and 100 depending on the season. Most of the staff were untrained when recruited but the company offers training in horticulture.

Exel which had a turnover last year of £1.8m and makes a trading profit after depreciation sells daily to supermarket chains. The UK's total tomato demand is about 320,000 tons per year of which 190,000 tons are imported. Exel says there is an opportunity to make a substantial reduction in imported produce.

The company has a long-range plan to quadruple the glasshouse acreage to 80 acres. The reject heat from Drax would be sufficient to heat a glasshouse acreage that would meet the whole UK tomato demand but that would require such a colossal acreage and funding as to be totally impractical.

The RHM eel farm is a very different kettle of fish. Ranks Hovis McDougall started fish farming research 14 years ago, concentrating on freshwater prawns. This line of research was abandoned three years later, leaving RHM with warm-water technology but no species to apply it to.

When RHM looked at eels it saw a market in Europe for 30,000 tonnes of these a year with a production shortfall on the Continent of 5,000 tonnes. Imports were and are being brought to Europe from North America and New Zealand during the winter months when it is too cold for eels in Europe and they go dormant for several months. The use of hot water precludes the need for eels to sleep during the early months of the year so this would be a target market time for an intensive eel farm.

A pilot plant with four small ponds was commissioned and two years later RHM aquacultural developments was formed with £750,000 capital split 75 per cent, 25 per cent between RHM and the generating board. In 1979 the first stocking of elvers was begun.

Again, the eel farm takes water by natural pressure through pipelines from the inlet point of the Drax cooling towers. For adult eels the water drains through the lagoons, runs over weir boards into a drainage channel and then into a pumping sump from where it is pumped back to the station. Immature stock which are kept in smaller indoor tanks have a separate water system.

Target

The warm water greatly adds to productivity because it allows the eels to be active right through the year and a water temperature higher than that found naturally in the UK is much closer to the ideal for rearing them.

From a first-year output of five tonnes, yearly sales have now reached 130 tonnes. That means three quarters of a million eels and a turnover last year of £405,000.

The planned target and the plant's design capacity however was 200 tonnes. The biggest problem has been the water temperature. The generating board expected the water to be at 30 deg C as against an optimum growth temperature of 26 deg C. However, the water is hotter than envisaged and can be as high as 44 deg C. At that temperature, water has less oxygen so can sustain less life and it also reduces growth rate.

Mr David Evans, director and general manager of Aquacultural Developments, says the only way to raise tonnage is to try to reduce the temperature down or build more lagoons.

The source of the elvers and the company's sales contacts are two issues which the company has had to develop and has done so successfully. "We could sell for more than we produce," Mr Evans says.

European eels breed in the Sargasso Sea and take three years to swim to Europe where they congregate on the Continental Shelf once a year. The spring tide brings them into Britain through a number of inlets, the main one being the Severn Estuary. The company buys the elvers or "glass eels," which at that point weigh a third of a gram each, from fishermen.

The elvers are kept in the indoor tanks for a year during which their weight rises to 10 grams. They are then transferred as adult eels to the outdoor lagoons where they are kept for a further year where, fed on a modified commercial trout diet, they increase in size to an average of 150 grams and a foot in length. That two years' growth would take seven years in the wild.

Some 80 per cent of output goes abroad for smoked eel, most of it through four dealers in Holland and West Germany. Much of this is collected by Dutch and German haulage firms at the farm.

The company sells the jellied eels for the UK market direct to London dealers. These have less fat content than the European smokers which are themselves divided into various groupings. The German market, for example, wants bigger eels than the Dutch. The differences in eels and markets has been, in itself, an education for the company.

Nick Garnett

Above: tending tomatoes in the extensive glasshouses. Heat exchangers through which the waste hot water flows are computer-controlled to maintain the correct temperature. Right: sorting eels for size at the eel farm. The young eels are kept in indoor tanks for a year then transferred to the outdoor lagoons

Bid to put ash to better use

ONE OF THE lesser known activities of the Central Electricity Generating Board is marketing the ash produced by its coal-fired power stations.

Each of the five generating regions has its own ash marketing office with a central office at the board's London headquarters. Of the total 13m tonnes of ash the power stations produce, the ash marketing branch sells 4.4m tonnes, earning £4.4m in revenue. This figure has been static for the past few years largely because of the downturn in the construction industry which is the principal ash consumer.

The rest of the ash is disposed of at most stations, normally by mixing it with water and pumping the resulting slurry into lagoons which can be grassed as they solidify. There is no suitable land around Drax to do this so waste ash from the first phase of Drax has been compacted to form a low hill at an old Defence Ministry base at the nearby village of Barlow. The ash is treated with a polymer to prevent it blowing away and, with topsoil and grass, the hill is now used for sheep farming.

Granular

Power stations generate two types of ash. The coarse, granular ash which forms at the bottom of the boiler is known as furnace bottom ash which makes up about 20 per cent of the total. This is marketed largely as an aggregate for the production of breeze blocks in the construction industry and is sold direct to block-making companies.

The rest is known as pulverised fuel ash (PFA), sometimes called fly ash, which is a fine powder collected from the smoke screen before it escapes up the chimney. This is a much more interesting product than that taken from the boiler bottom and is now subject to a good deal of research by the generating board and private companies to discover further applications.

The building of the second phase of Drax is an example of the way PFA can be used as a partial replacement for cement in structural concrete up to between 25 and 45 per cent of normal cement content.

The ash marketing branch says the use of PFA has resulted in a £1m saving in the cost of constructing the second Drax phase.

Pulverised fuel ash is used in more than half a dozen ways. By far the biggest outlet is road construction where it is used as structural filling—the ash conditioned with water and consolidated in layers by road rollers to create a sub-base medium.

The second biggest use is in the production of building blocks such as heat insulating, lightweight thermalyte. It is also utilised as a lightweight aggregate, by mixing the ash with a number of other substances, including coal and water, which is then rolled into pellets and cooked on a furnace bed. This has been used in concrete constructions such as the National Westminster head office tower block in the City of London. Pozzolanic Lytag is one company marketing ash for this purpose.

Apart from cement replacement in the use of concrete, as utilised in the Drax construction, PFA is also used as a cement substitute in grouting for such tasks as sewer repairs.

Fly ash can be incorporated in brick manufacture, partly replacing some of the clay body and as a low grade fuel for the firing of the bricks.

Agreements

The marketing branch has been developing a whole range of new uses since the mid-1970s, not just to find new sectors in the construction industry to replace declining markets but also to tap into other industrial sectors.

This has taken it into some advanced technical areas beyond its own research programme on the structure and character of ash, resulting in product development and also in the use of co-operation agreements with private companies to harness research and marketing skills.

In the higher technology areas, glass spheres within PFA are used as a filler in plastics or resin, for use, for example, in the production of car bumpers and in the manufacture of heat insulation material in the aerospace industry.

The ash marketing branch says the generating board is committed to a substantial research and development programme into the uses of ash. "The construction industry now appreciates PFA as a valuable byproduct which can be used with advantage in replacing traditional materials which are non-renewable."

N. G.

The design of future coal-fired stations will be tightened up to cut sulphur emissions

EEC increases pressure on acid rain

DRAX POWER station seems certain to be the last of its kind. It will probably be the last coal-fired power station built in Britain without flue-gas desulphurisation scrubbers.

A strong hint that this could be so came in the last annual report, for 1981, of the Alkali and Clean Air Inspectorate.

At the end of a section on pollution by sulphur dioxide, which reviewed rising European concern about the possible contribution of this gas to the problem of acid rain, the report concluded: "The powers of the inspectorate stem from legislation intended to protect the population and environment of England and Wales and it is unlikely that action could be taken under the legislation in order solely to protect the environment in other countries.

"However, the first duty of the inspectorate is to prevent emissions to air where it is practicable to do so, irrespective of whether damage is caused. In the UK, there are currently no proposals for new fossil fuel generating plants, but if and when they come forward, the scope for preventing or reducing emissions of sulphur dioxide will need to be considered positively in the the light of experience now being gained in other countries."

By the time the inspector wrote that wordy passage, of course, Drax was well on the way to completion. Its design specifications were complete by 1977, which was well before the acid rain debate shifted from being an isolated patch of scientific and pressure group drizzle to becoming a full-scale political downpour.

The most recent and potentially most far-reaching result of that charge was the publication this month of a draft EEC directive, which would require members states to cut their output of sulphur dioxide by 60 per cent, of oxides of nitrogen by 40 per cent and of dust by 40 per cent—all by the year 1995. In addition, the directive sets specific emission limits for new fossil fuel power plants of 400 milligrammes per cubic metre of waste gas in the case of sulphur dioxide, falling to 250 mg per cu metre after 1995.

These standards for new plants are in line with the stringent restrictions adopted unilaterally by West Germany last summer, following a wave of political concern about the large-scale damage to the country's forests. The only way the standards could be met, if imposed, would be by widespread use of waste-gas scrubbing techniques—flue gas desulphurisation.

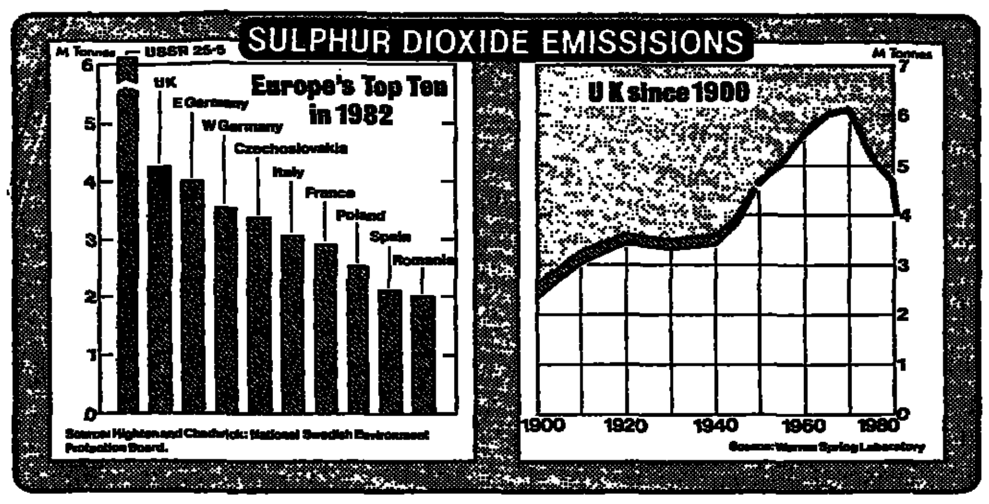
Washed out

The British Government and CEGB find themselves with an undesired central role in these events because, as the table shows, Britain is a very large producer of sulphur dioxide. This chemical, when released into the atmosphere, carried by wind and then washed out as rain or mist, is believed by some scientists and many politicians, especially in Germany and Scandinavia, to be a prime cause of acid rain. This, in turn, is argued to be a prime cause of the dying forests and, in the case of Scandinavia, the dying or dead lakes and streams.

Not surprisingly, both the Government and the industry have responded with a mixture of caution and anxiety towards this state of affairs. They argue, with considerable evidence on their side, that the connection between the malaise of the forests and lakes and acid rain is far from proven and that even if it were to be accepted as a working hypothesis, there are strong grounds for believing that even a large reduction in power station pollutants would not cure the problem.

Many scientists, both within and beyond the CEGB, are inclined to scoff at the quality of the scientific evidence offered so far by the acid rain lobby, but those who have been more heavily exposed to the force of the political arguments in Brussels do not underestimate the scale of the political threat.

"I think that the politics demands some action. The expectation from the politicians and the public is that something is going to be done and I think that ultimately something will be done," says Mr John Clarke, head of environmental services at the CEGB, expressing a personal view.



Just what will be done depends most of all upon the progress of the commission's draft directive.

From the British point of view, any numbers at all will represent change, since the present law in the UK merely requires that the alkali inspector determine "the best practicable means" of pursuing its goals of controlling air pollution. There are no general numerical targets, either for old plant or new.

For the most part, the inspectorate has been content to allow the industry to deal with its emissions simply by building higher chimneys — a policy which attracts strong criticism from Britain's downwind neighbours on the other side of the Channel and the North Sea. The Drax design reflects this regime.

Burden

If the rules are tightened, however, one thing is certain: it will cost the CEGB, the taxpayer or the electricity consumer a lot of money.

If the CEGB is obliged to carry the entire burden of reducing the nation's sulphur dioxide and nitrogen oxides emissions to within the proposed EEC limits, the board's rough estimate is that it would cost £2bn and add 10 to 15 per cent to the operating costs of the power stations affected. If the entire cost were loaded upon the price of electricity, bills would rise by about 7 per cent.

This would involve fitting flue-gas desulphurisation scrubbers to the chimney stacks of the plants, modifying the plants' boilers so as to burn more of the nitrogen oxides produced when coal and fuel oil are burned and increasing the size of the dust collectors, which use electrostatic plates to filter out particles of soot.

The expensive part is the scrubber, which would cost £117m just for the second stage of Drax — twice that for the entire installation. Drax's running costs would rise by about £50m a year — mainly the cost of collecting and disposing of the pollutants removed from the gas.

It was this problem of how to dispose of the pollutants which, curiously enough, finished off the last British experience with flue-gas desulphurisation in the late 960s when the scrubbers at the famous, but now defunct, Batterset power station in London had to be closed down because water from the gas-washing plant was causing a serious pollution problem in the Thames.

At their peak, Battersea's scrubbers, which forced the waste gas through jets of water and chalk in suspension, culled 90 per cent of the sulphur from the emissions — a creditable standard even for the more modern scrubbers used today in Japan and West Germany.

Another way of reducing the amount of sulphur in power station waste is to wash the coal before it is burned—an option which the CEGB is currently exploring with the National Coal Board, although that in turn raises the difficult question of who should pay for the washing.

One of the more significant ironies of the entire acid rain debate becomes evident as these cost calculations are made: that is if coal-powered electricity generation is to become more expensive, the relative economic advantage of nuclear power will increase.

Ian Hargreaves

Digital control of boilers gives more flexibility

Micros taking over to match demand

CONTROL OF up to 2000 MW of electrical power—enough to run 1m two-bar electric fires—from the three big turbo-alternators in the second, completion phase of Drax has been entrusted to the micro-processor.

It is one of the first examples of direct digital control by microcomputers of a large-scale steam-raising plant.

Ten years ago, when the micro-processor was known only to leading edge workers in the semi-conductor business, power engineers would have baulked at the idea of "software and chips" controlling 200 ft tall boilers and massive coal pulverisers.

But times have changed. The nuclear stations, which are able to produce electricity more cheaply, are today used preferentially to meet the basic consumer demand — the "base load"—while the coal and oil-fired stations are switched on and off the grid as the demand rises and falls through the day and night.

Other demands can occur in ways that seem peculiar but are now familiar to control centre engineers. For example, at the end of the Royal Wedding in July 1981 when Prince Charles and Lady Diana left Waterloo Station, demand rose in a few minutes by nearly 2,000MW (the whole output of Drax) as millions of viewers went to their kitchens to brew tea with electric kettles. Cold snaps in the weather have similar, if slower-acting, effects.

The result of all this is that large coal-fired stations like Drax, which at one time ran at their rated outputs most of the time, nowadays must be either partially or fully started up or shut down at short notice. That implies cost-effective, flexible control systems, which is where the micro-processor comes in, together with specially tailored software.

Complex

Power station control is fairly straightforward in principle but complex in practice. If the grid calls for more power, either a station has to be started up, a complex procedure involving perhaps 1,000 steps, or stations running below maximum or on "spinning reserve" have to generate more power.

If the generator (a steam turbine-driven alternator the size of a small railway station) has to produce more output, more steam presure must be raised, calling in turn for more coal to be pulverised and blown into the burners to make more heat.

As soon as the demand is made by control centre engineers, an electronic signal representing the desired steam pressure, which is continuously produced by the station's control system, will rise in sympathy. In so doing, it will immediately exceed another signal representing the measured pressure.

The difference, known as the "error signal," is applied to the equipment controlling the coal pulverising mills or the fans that move the coal dust down feed pipes, thus increasing the burning rate in the boilers. The pressure rises, the error signal is reduced and the action continues until it falls to zero, when the plant will then be producing the new, higher output.

For many years control engineers used "analogue" control signals — that is, voltage or current levels, AC or DC, — that were a measure of the quantities involved, such as pressure, temperature and flow rate.

When small computers of high enough reliability and low enough cost began to appear in the 1970s, digital control became feasible, in which the control voltages and current levels were replaced by strings of on-off pulses coded (rather like morse code) to represent plant values.

The essential aspect of direct digital control (DDC) is that the control action is vested in software — the programs of the computer — rather than in the steel and copper of mechanical and electrical hardware, and so can be changed simply by running a different program.

Needed

A few years ago the micro-processor became so cheap, powerful and compact that engineers decided to use them where they were needed around the plant rather than depend, as in earlier systems, on one large central computer. Then, a computer fault does not cripple the whole, or a large part, of the station.

Thus in 1981, contracts worth about £5.7m were placed by the CEGB. Two worth about £3.7m were awarded to Solartron Schlumberger for data collection and monitoring systems and two other totalling £2m went to Babcock Bristol for control equipment.

The controlled parameters include feedwater levels and flows, combustion air, super-heater and re-heater steam temperatures and individual control of the 10 coal mills.

Some 2,000 variable and alarm states are shown in a wide variety of formats, on colour "television" displays at the station's control desks, with push-button call-up of text, numeric and graphical data, and plant mimic diagrams.

There are 18 micro-processors on each boiler unit, eight for direct boiler control and 10 for start-up and shut-down. LSI 11/23 processors from Digital Equipment Company (DEC) have been used and the software for direct control has been written in the CEB's own high level computer language called Cutlass.

Work on Cutlass (it stands for Computer Users' Technical Languages and Application Software System) began at CEGB research centres when it was concluded that power engineers needed, first, a control system programming language that was independent of the computer used; second, one tailored to their particular engineering needs; and, third, one that needed no comprehensive knowledge of computers or programming.

Cutlass allows engineers working in specific areas of power station control to perfect their programs and integrate them on a time-slot basis for overall control of the plant. The main areas are sequence control for start up and shut down, DDC to increase or decrease plant variables, and graphics/text generation for the display consoles.

An indication of the complexity of the modern power station is afforded by the fact that over 3,000 analogue inputs and some 7,000 status/event input lines are monitored at Drax. Altogether seven supervisory computer systems and 21 intelligent data centres, with associated peripherals (printers and disc stores for example) form a distributed data network operating over high-speed communications links.

Digital control and Cutlass, vital features at Drax, will be of great utility throughout CEGB. It is estimated that Cutlass will reduce the manpower needs of control refurbishment schemes by some 240 man-years.

Geoff Charlish

Drax is proving a showcase for workers' and management talents

Benefits for workforce as project's success grows

BOTH THE contractors and the workforce are hoping to benefit from the progress of Drax as a model construction site and the last word in coal-fired power stations.

A union official on the site's joint management committee confirmed earlier this month that men being laid off as the steel construction contract slowed down were being surprisingly successful in finding new work in the North East, in view of the industrial recession.

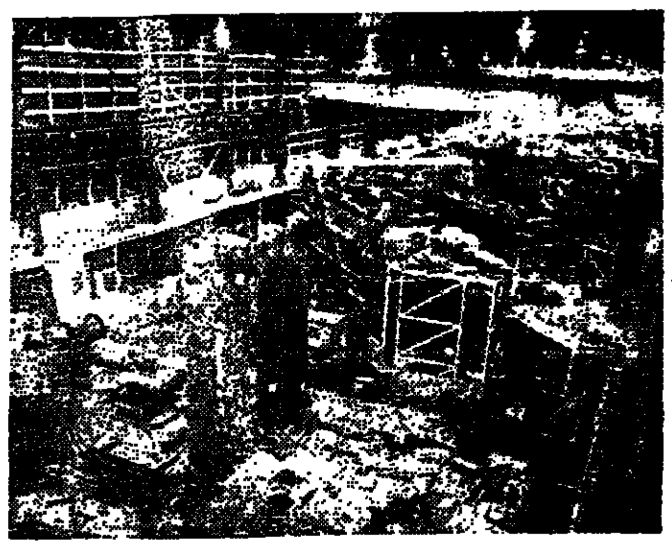
Their success ra'e was attributed to the lack of trouble on the site and the skilful way in which contractors and employees had accelerated their work to counteract initial delays.

Jack Elston, the CEGB's manager of the project, describes the men as a "well motivated and self-disciplined labour force already used to building power stations."

Some 75 per cent of the Drax labour force, which at its peak last spring numbered 3,000, was recruited in the North East. It included 50 men accommodated with their families in special caravans, and whose children attended the local village school.

Subsidiary

Another 350 unattached men are accommodated in the main construction camp nearby, run by ARA, the UK subsidiary of the U.S.-based industrial catering empire which will be in charge of the catering at the forthcoming Los Angeles Olympics. (Its UK leisure division caters at Wembley Stadium in London.)



Inside the boiler house. The skill with which initial delays at the site were overcome has attracted attention from electricity authorities overseas.

Entertainment facilities in the recreation building at Drax include snooker, table tennis and video players with hired cassettes. The nearest town for an outing is Selby, a few miles away, which sits on top of the super-pit which will supply much of Drax's requirements.

The Drax completion is also proving to be a show case for overseas power utilities, who have been sending a constant stream of people to inspect it.

Among the visitors in January were a team of vice-presidents of U.S. utilities belonging to the American Round Table business organisation.

Their interest is more than casual, since the management plan which the CEGB used for controlling the work at Drax was inspired by a major study which the Round Table carried out into the shortcomings of the U.S. construction industry.

In the past year, there were also three visits by the Indian electricity authorities connected with the coal-fired power station being built at Rihand, India, with British assistance.

Inspect

The Dutch electricity authorities also c..ne to Drax to inspect th.. ..ay the 1m tonnes of dus.. . year are being worked i..to a landscape site a mile away.

On the other hand, when a team of Ja.anese officials from Mitsubishi arrived last summer, they seemed more intent on selling to the CEGB than learning from it. With an eye on the international concern over acid rain and sulphur dioxide emissions, they gave the CEGB a presentation abo.. Mitsubi..'.. equipment f.. the chem.. scrubbing of missions from fossil-fuel power stations.

The CEGB is not yet in the market for such equipment so the Japanese left empty-handed, but at least one CEGB official was left with the impression that Japanese manufacturers are far ahead of British industry in this potentially large mark... British manufacturers, on th.. other hand, .laim that once the market develops, they will be able to enter it with very little delay.

Maurice Samuelson

Projects are running out as UK construction programme dwindles

Expertise being offered abroad

THE CONSUMING problem facing the Generation Development and Construction Division is not a technical one, but the simple fact that its work is running out.

Within a year its only power station construction operations in England will be completion of the final phase of Drax, due to be finished in the middle of 1986, and on Heysham II, due to be completed the following year.

Even if building of the Sizewell B nuclear pressurised water reactor station eventually goes ahead, perhaps in 1987, the division's 1,700 workforce will have to be cut substantially. If Sizewell B does not go ahead Mr John Collier, the division's director general, says employment will shrink by more than half.

That position would be a far cry from 1971 when the division was set up and geared to building one power station a year. When the division moved to its existing office site, at Barnwood near Gloucester, ten years ago, its 2,100 staff were handling ten major projects, seven at peak construction life.

Peak

Now, Heysham I, Hartlepool and Dungeness, all advanced gas-cooled reactor nuclear stations, are at the commission stage together with the last units at the Dinorwic station in Wales. Littlebrook D has now become fully operational and there is only one unit out of the four at the Isle of Grain oil fired station to be completed.

One of Mr Collier's tasks is to try to attract new forms of work for the division by, for example, encouraging British contractors and foreign power station owners, to use the division's expertise in project management and construction.

Other forms of work that might open up include combined power and heat supply stations near cities, a subject on which the Government has yet to make a formal decision, and conversion of oil stations to coal.

The division's senior management sees part of its job as trying to make sure that the division keeps its expertise intact before the next major series of power station constructions, which the Central Electricity Generating Board (CEGB) expects, actually begins.

Some of the later power stations built by the division will come to the end of their life in less than 25 years from now, but the division says it would be harmful not to have a gradual construction programme rather than a concentrated build effort.

The division is one of three functional divisions within the generating board, the other two being technical planning, research and development, and transmission and technical services.

The construction division has sections dealing with the mechanical and electrical aspects of station design, and a plant engineering department divided up into specialist areas of boilers: turbines, nuclear installation, materials and pressure parts.

Under Mr Ron Burbridge, director of project management, there is a clutch of managers in charge of the separate project teams for Drax, Grain, Littlebrook, the Dinorwic scheme near Snowdon and a small hydro station at Kielder, Northumberland.

A separate director deals with the PWR and there is a different project management structure for the nuclear stations, whose construction the CEGB is involved with.

Barnwood's basic job has been designing and controlling the overall construction of non-nuclear power stations as well as building nuclear power stations apart from their nuclear islands.

A large part of the task involves stitching together both on site and at Barnwood, the separate but interlinked activities of different contractors. One technical drawing by one contractor, for example, could cut across the work of a dozen other contractors. Those contractors need to know the implications of that design on their own work.

Barnwood also carries out design work on a whole series of systems including piping, heating and ventilating.

About a tenth of the division's activities are taken up by design, modification and other work on plant that is already operating even though the five regions have their own engineering capability.

The division has some limited consultancy work abroad. This includes a full consultancy for the construction of the Rihand coal-fired station in India for which it is assisting both the Indian Government and Northern Engineering Industries.

It is also provi... assistance in the construc... peak B in Hon... China Light and ... pany and on a nu... of p... jects in Australi

Ni... Garnett

JACK ELSTON: PROJECT MANAGER

Keeping a close eye on the schedules

JACK ELSTON has been living and breathing the final phase of Drax since he took over as project manager in October 1981, just as the erection of boilers and turbines began.

His job is a reflection of the pressures and workloads which many senior managers have to endure, though frequently enjoy. It has also meant some physically taxing effort, not least the 400-mile round trip Mr Elston usually makes every week between his office near Gloucester and the Drax site.

In dealing with contractors he says that you can either bully or lead from the front. "My technique and philosophy is to lead from the front," he says, while paying tribute to the Generating Board team around him.

"I'm useless without these people. I help create the right environment so they can do their job."

In an odd but understandable statement he says that the pressures of a project manager are frequently greater when a project is running on time, as is Drax.

Tightrope

If you are already six months behind schedule, the loss of another week does not look so awful. Managers become almost resigned to it.

When you lose two days on an operation that was on time, however, it becomes a matter of urgency to get it back on track. "It's like walking a tightrope from which you mustn't fall. When you have fallen off, and you're right in the mud, I'm afraid resignation can set in."

Mr Elston, a 53-year-old married man who has the added burden of sharing with his wife the problem of caring for a physically-handicapped son, has worked in electricity generation since leaving school. He joined the then Leeds Corporation Electricity Department as an apprentice, before becoming a draughtsman in the construction office of the Yorkshire division of the pre-nationalisation British Electricity Authority.

CEGB

Jack Elston: leading from the front.

He was project manager for Littlebrook D before moving on to Drax. Controlling the construction project is in itself a very demanding job, whether it is dealing with contractors or unions face to face, sitting in on a joint problem solving meeting, signing payment certificates (£150m worth this year), or controlling the monthly reports on the project.

Apart from that however, Mr Elston has overall responsibility for safety on all the generation development and construction division sites as well as chairing the division's mechanical resources unit.

Dealing with the welter of contractors on the Drax project, is the underlying key to Mr Elston's work. His rule on that is simple—give them a hard task but a good environment in which to do the job.

N. G.

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